

COUNTY OF LAKE

2002R023781

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FAX
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FRANK A SUPONCIC
LAKE COUNTY RECORDER

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**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 areas, 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 Areas" 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; and any landscaped or open areas not located within a Parcel. The Common Areas 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.

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

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

(h) "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 shall not be stacked units and shall be designated on a recorded condominium declaration and drawing filed therewith.

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

(j) "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.

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

(l) "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.

(i) "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.

(j) "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.

(k) "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.

(l) "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.

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.

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 Code of Regulations of the Master Association. The Articles of Incorporation and Code of Regulations (“Code”) 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 Code of Regulations by the non-profit corporation law of the State of Ohio as it may be in effect from time to time.

ARTICLE IV
COMMON AREAS; NEIGHBORHOODS

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

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

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

Section 1 – Master Association's Maintenance Responsibility. Developer shall maintain the Common Area as set forth below until the Common Area is conveyed to the Master Association. Thereafter, the Master Association shall keep the Common Area in good condition and repair, in a clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. 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 Area 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 areas which is owned and maintained by the Homeowner's Association.

(b) Snow and ice shall be removed from all (i) private roads and (ii) designated parking areas to keep the same reasonably free from such snow and ice as the circumstances may reasonably permit.

(c) Private roads and designated parking areas 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.

(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.

(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 Areas, including open areas, all walks and paths shall be maintained by the Master Association.

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 Areas, shall at any time fail to maintain the Common Areas 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 Areas in reasonable condition, and said notice shall include a demand that such deficiencies of maintenance be corrected within thirty (30) days thereof, and shall state the date and place of a hearing thereon which shall be held within forty (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 or in the modifications thereof have not been corrected within thirty (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 Areas 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 Areas 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 Areas 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 \$50.00 per year from the yearly Homeowner's Association assessments to be placed in a separate account set aside for future repairs of the shoreline. This account to be capped at a point when \$250,000.00 has been accumulated, but the purpose of the fund will be for future repairs, "maintenance, and/or expansion of the shoreline protection." This fund must be maintained and can not be modified, reduced, or eliminated without the express written consent of the Township Trustees.

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 Two Hundred Dollars (\$200.00) per Living Unit or Parcel. After the initial year, the Board of Trustees 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 two-thirds (2/3) of the Board of Trustees of the Master Association and be approved pursuant to the Code.

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

Section 5 – Date of Commencement of Assessments. The annual assessments provided for herein shall commence on the date of the transfer of title from Developer to Owner of the first Parcel. Notwithstanding anything set forth in this Article VI to the contrary, the first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the date fixed by the Board of Trustees of the Master Association, or become due and payable on a monthly basis on dates fixed by the Board of Trustees of the Master Association. The due date of any special assessments under Section 4 hereof shall be fixed in the resolution authorizing such assessments.

Section 6 – Duties of the Board of Trustees. The Board of Trustees of the Master Association shall fix the amount of the assessment against each Parcel for each assessment period at least thirty (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. If any assessment is not paid on the date when due, then such assessment shall become delinquent, together with such interest thereon and cost of collection thereof as hereinafter provided.

If an annual or special assessment, or installment of a special assessment, is not paid within thirty (30) days after the due date, the Master Association may charge an administrative late fee as set forth in the rules and regulations adopted by the Community (the "Rules") such delinquent assessment or installment shall bear interest from the due date at the rate of one and one-half percent (1 ½%) per month provided that such rate does not exceed the highest rate permitted by law in which event the rate charged shall be the highest rate permitted by law. The Master Association may after such thirty (30) day period bring an action at law against the Owner responsible for the payment of such assessment, and (additionally or alternatively) may foreclose the lien against the property, and in the event a judgment is obtained, such judgment shall include interest on the assessment or installment amount as above provided, together with the costs of the action and reasonable attorney's fees in an amount to be determined by the court.

The personal obligation of the then Owner to pay such assessments shall remain his personal obligation and shall not pass as a personal obligation to his successors in title unless expressly assumed by them.

The Master Association may file in the office of the County Recorder a Notice of Lien to evidence any delinquent assessment or installment, but the Master 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 Master Association's lien and other rights in and against the property and against the Owner of such 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 Areas; (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, temporarily 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 seven (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 two (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 three 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.

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 manner that they cannot be seen from adjacent and surrounding property. 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, 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 seven (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 applicable easement rights, no facilities, including poles, wires, antennae and satellite dishes (over twelve inches (12”) in diameter) for the transmission of electricity, telephone messages, ham radio messages and the like shall be placed or maintained on or above the surface of the ground in any portion of the Property without the prior approval of the Master Association and unless such facilities are in compliance with the Painesville Township Zoning Resolutions. This provision shall not apply for temporary facilities for the construction or repair of any building or other structure.

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, 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.

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 Areas 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 Trustee Meeting of July 17, 2001, Resolution No. 2001-64.

Section 16 – Residential Requirements.

(a) Minimum square footage calculations 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 minimum square footage for living units to be constructed on the Property is as follows:

	<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

The foregoing minimum square footage requirements may be increased by the Developer for any Neighborhood pursuant to a Neighborhood Declaration.

(b) Each residence shall have a minimum of a two (2) car attached side or front entry garage.

(c) Where required, sidewalks will be constructed of concrete and shall be completed within six (6) months (weather permitting) of the completion of the residence.

(d) Lawns and shrubbery between the roadway and rear yard of each residence shall be installed within ten (10) months after completion of the residence.

(e) No dwelling shall have a roof pitch of less than 6/12.

(f) All houses shall have brick or stone to grade at all front elevations.

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

(h) Any home which has a landscape mound on or near its rear property line, except those backing up to Lake Road, must maintain the grass and any trees in a normal maintenance manner.

(i) Any home backing up to a common area which has grass areas that can not be accessed by association maintenance, must care for these areas as if it is their own so as not to distract from the over all appearance of the area. Lots in first phase that may have these small areas are sub lots 37, 38, 52, 53, 65, 66, 67, 68, 79, 80, 81, 82, 99 and 100.

(j) Any lot owner which may have protected wetland areas or common open space behind their rear property line can not destroy or alter these areas in any way.

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

(l) No Owner shall damage any streets within the subdivision or permit any contractor, builder or materialman to damage said street during the period of any home construction, or said 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 contractor, builder or materialman 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) There shall be no vehicular ingress or egress access permitted over, across or through any Parcel or Common Area to Lake Road.

(n) Any and all single family fee simple lots on south side of Lake Road has a building envelope that must be adhered to by owner of lot and or his builder. This envelope shows overall building limits as well as garage placement. These building envelopes will be shown on a plat which will be designed for each Phase of development construction and must be adhered to by owner and builder of lot.

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 Code and Rules and that failure of a lessee to comply with the terms of this Master Declaration, the Code 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 Code 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 five 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 Code, 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 Declarations and the Code, 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 ten 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.

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 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 Areas as provided in this Master Declaration.

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.

Section 8 – Easements to Run with Lands. All easements and rights described herein are easements appurtenant to the Property and the Common Areas, 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.

Developer and (after transfer of the Common Areas) 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.

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.

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 thirty 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 thirty 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 Trustees 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 twenty-five (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 ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the Lots and Living Units has been recorded, agreeing to terminate said Covenants and Restrictions.

For purposes of meeting the two-thirds (2/3) 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 three (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 ninety (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 percent 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.

IN WITNESS WHEREOF, the Developer and Master Association have hereunto set their hands at Cleveland, Ohio, the date and year first above written.

**Signed and acknowledged
in the presence of:**

Michael Disanto
Paul DiPietro

**LAKE ERIE
SHORES DEVELOPMENT, LLC**

By: Michael Disanto
MICHAEL DISANTO, President

**LAKE ERIE SHORES HOMEOWNERS
ASSOCIATION, INC.**

Michael Disanto
Paul DiPietro

By: Michael Disanto
Its: President.

STATE OF OHIO :
: SS.
COUNTY OF LAKE :

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named LAKE ERIE SHORES DEVELOPMENT, LLC, by Michael DiSanto, its President, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed, and the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Cleveland, Ohio, this 30th day of April, 2002.

Gail DiPerna
NOTARY PUBLIC

STATE OF OHIO :
: SS.
COUNTY OF LAKE :



GAIL DIPERNA
Notary Public
In and for the State of Ohio
My Commission Expires
August 24, 2003

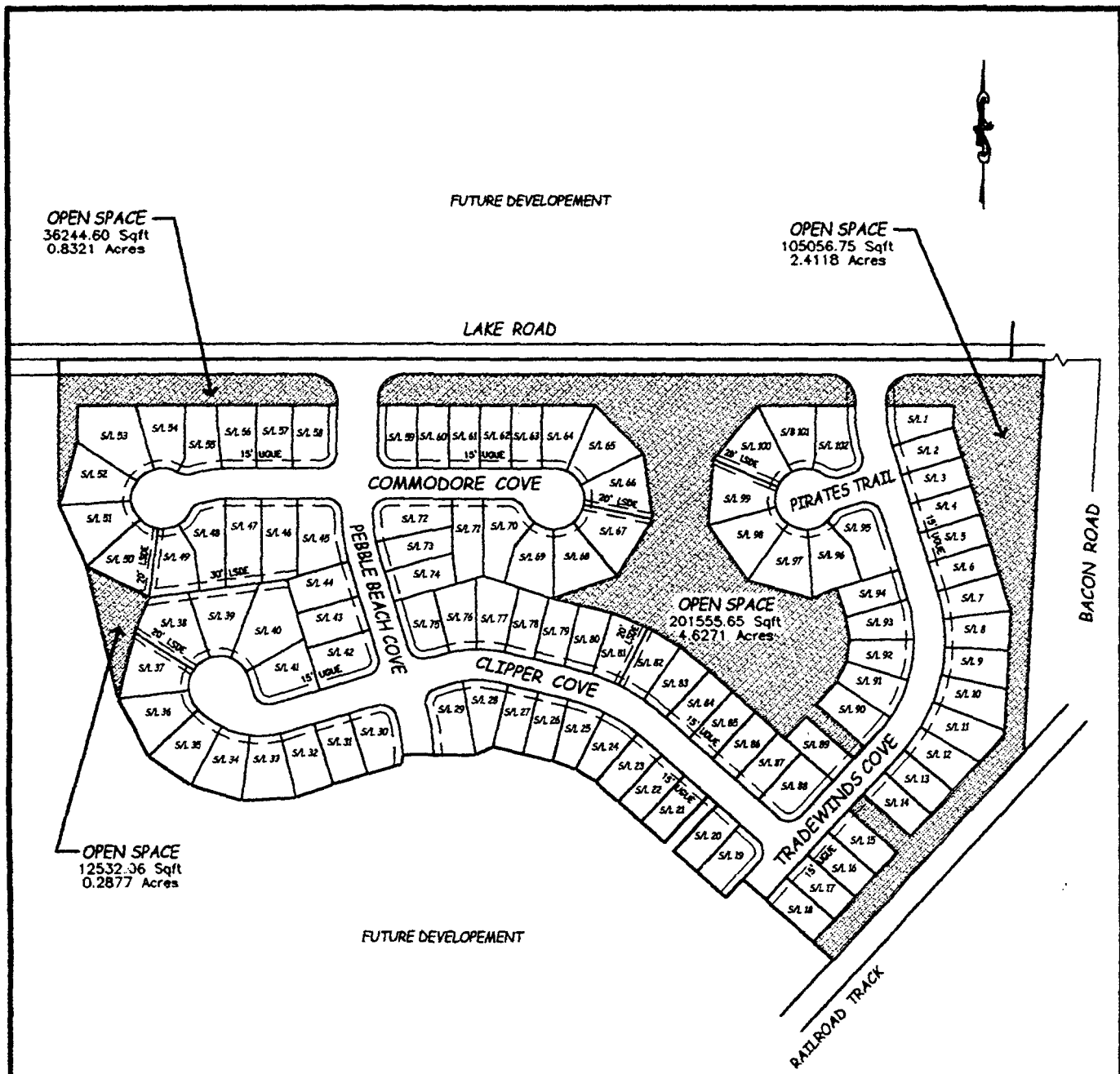
BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named LAKE ERIE SHORES HOMEOWNERS ASSOCIATION, INC., by Michael DiSanto, its President, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed, and the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Cleveland, Ohio, this 30th day of April, 2002.

Gail DiPerna
NOTARY PUBLIC



GAIL DIPERNA
Notary Public
In and for the State of Ohio
My Commission Expires
August 24, 2003



LSDE -- LOCAL SERVICES DRAINAGE EASEMENT
 UGUE -- UNDERGROUND UTILITIES EASEMENT
 TOTAL OPEN SPACE = 8.1586 Acres

LAKE ERIE SHORES - PHASE 1
 OPEN SPACES
 SEPTEMBER 2001

X01012

oxbow

Engineering, Inc.

10 West Erie Street, Suite 201 Painesville, Ohio 44077
 Phone (440) 352-8559\942-0041 Fax (440) 352-9186
 oxbow@interax.com

EXHIBIT "A"



LAKE
ERIE

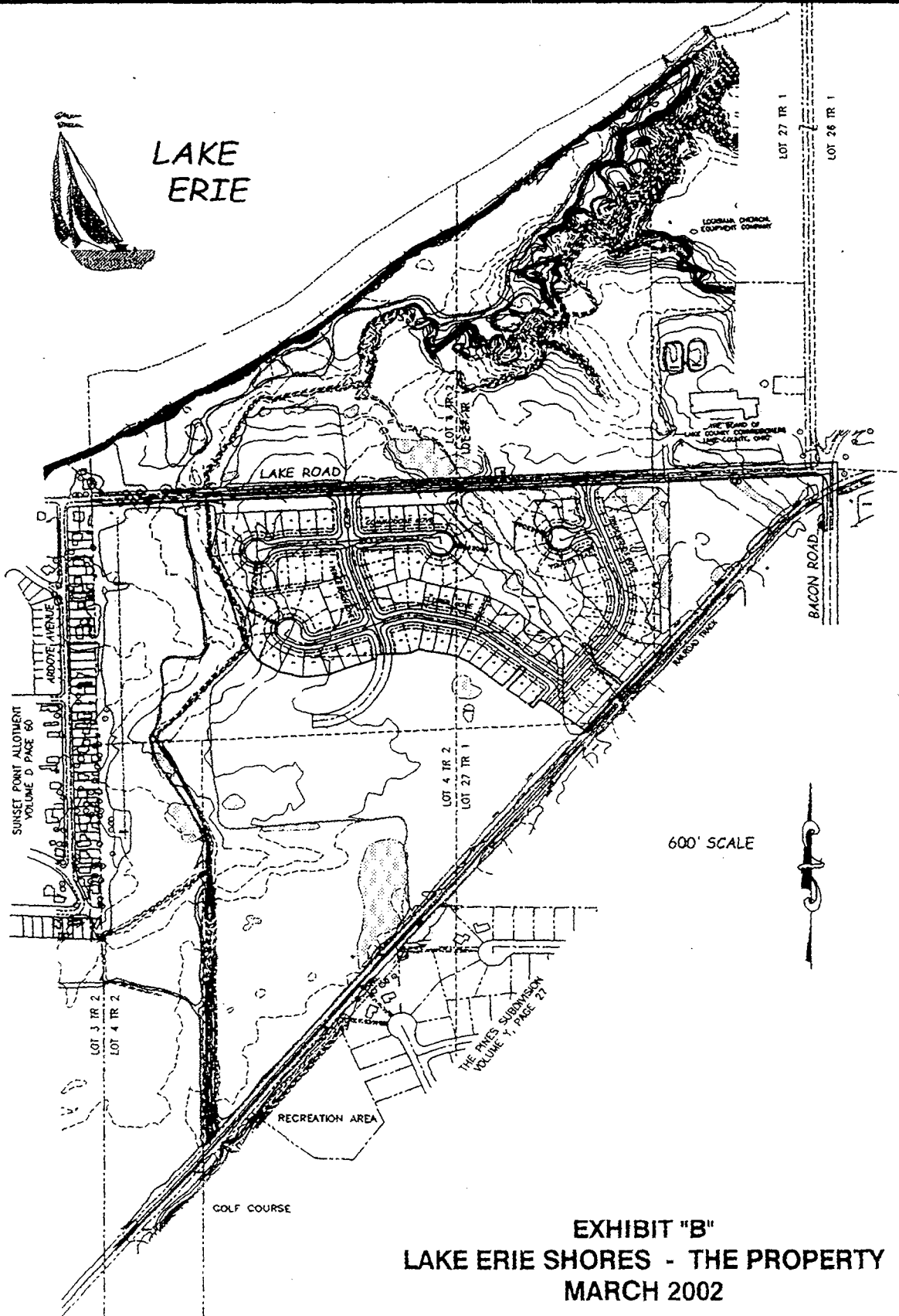


EXHIBIT "B"
LAKE ERIE SHORES - THE PROPERTY
MARCH 2002