

DECLARATION OF CONDOMINIUM OWNERSHIP

OF

NAUTICAL RIDGE CONDOMINIUMS

DEVELOPED BY:

NAUTICAL RIDGE DEVELOPMENT, LLC

This Instrument Prepared by:

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2006R015438

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REC. FEE: 908.00
PAGES: 112

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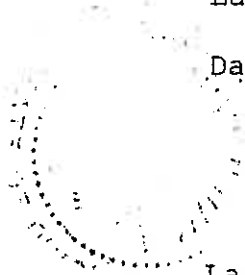
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DECLARATION

Submitting the property known as Nautical Ridge Condominiums at Fairport Harbor, Ohio to the provisions of Chapter 5311 of the Ohio Revised Code.

(This will certify that copies of this Declaration, together with Drawings, Bylaws and Management Agreement attached or referred to as Exhibits thereto, have been filed in the Office of the County Auditor, Lake County, Ohio)

Date: April 20, 2006.

 Lake County Auditor

By: Kimberly Masterson
Deputy Auditor

DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS AND COVENANTS
FOR

NAUTICAL RIDGE CONDOMINIUMS

This Declaration made at Chardon, OH, by Nautical Ridge Development LLC, an Ohio limited liability company organized and existing under Ohio Law, hereinafter referred to as "Declarant",

W I T N E S S E T H: THAT

WHEREAS, the Declarant is the owner of the real estate referenced herein as the "Phase I Parcel" described in Exhibit "1" attached hereto and made a part hereof; and

WHEREAS, Declarant is also the owner of (or has the option to acquire) the real estate contiguous to the Phase I Parcel referred to herein as the "Additional Lands" (Parcel 1-5) and described in Exhibit "2" attached hereto and made a part hereof; and

WHEREAS, it is the desire and intention of the Declarant to enable the Phase I Parcel together with the buildings, structures, improvements and fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anyway pertaining thereto, (hereinafter called the "Property") owned by Declarant and by each successor of the Declarant who stands in the same relation to the Property as the Declarant under that certain form of co-operative ownership commonly known as "CONDOMINIUM", and to submit the Property to the provisions of the "Condominium Property Act" of the State of Ohio, being Chapter 5311 of the Ohio Revised Code; and

WHEREAS, it is the desire and intention of the Declarant to provide for the submission of the Additional Lands or any portion or portions thereof, together with all buildings, structures, improvements and fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto, to be owned by Declarant and by each successor of the Declarant who stands in the same relation to the Additional Lands as the Declarant to the Condominium form of ownership, and to submit the Additional Lands, or any portion or

portions thereof, to the provisions of the aforesaid "Condominium Property Act"; and

WHEREAS, the Declarant is further desirous of establishing for its own benefit and for the mutual benefit of all future owners or occupants of the Property, or any part thereof, which shall be known as "Nautical Ridge Condominiums" certain easements and rights in, over and upon the Property and certain mutually beneficial restrictions, reservations and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Declarant desires and intends that the several owners, mortgagees, occupants, and other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspect of ownership and to facilitate the proper administration of the Property and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property; and

WHEREAS, the Declarant hereby establishes by this Declaration a plan for the individual ownership of the Property consisting of each of the "Units" (as that term is hereinafter defined), and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining Property which is hereinafter defined and referred to herein as the "Common Elements".

NOW, THEREFORE, Declarant hereby makes the following Declaration as to divisions, covenants, restrictions, limitations, conditions, easements, reservations and uses to which the Property may be put, hereby specifying that the provisions of this Declaration shall constitute covenants to run with the land and shall be binding on Declarant and each successor of Declarant who stands in the same relation to the Property or Additional Lands as Declarant and its and their respective heirs, executors, administrators, successors and assigns, and all Unit Owners together with their grantees, successors, heirs, executors, administrators, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

The following words and terms used in this Declaration are defined as set forth in Section 5311.01, of the Ohio Revised Code, except as otherwise herein provided.

(A) "Act" means the Ohio Condominium Act as contained in Chapter 5311 of the Ohio Revised Code, as the same may be amended or supplemented from time to time.

(B) "Additional Lands" means the land or improvements or any portion or portions thereof that may be added in the future to the Condominium Property, legal descriptions of the parcels constituting the Additional Lands are described in Exhibit "2" attached hereto and made a part hereof as if fully rewritten herein.

(C) "Additional Lands Buildings" means the buildings, structures, improvements and fixtures constructed on all or a portion of the Additional Lands.

(D) "Association" means the organization of all the owners of Units in the Condominium Property that administers the Condominium Property, the Association being known as Nautical Ridge Condominium Owners' Association. The Association is hereinafter sometimes called the "Unit Owners Association".

(E) "Board" means the Board of Directors of the Unit Owners Association as the same may be constituted from time to time.

(F) "Building" means a residential building (including all fixtures and improvements contained within it) located on the Condominium Property in which dwelling Units are located.

(G) "Common Elements" includes, unless otherwise provided in the Declaration, the following parts of the Condominium Property:

(1) The real estate described in the Declaration.

(2) All other areas, facilities, places, and structures that are not part of a Unit or are not delineated as part of a Unit in the Drawings as well

as the Limited Common Elements hereinafter defined, including, but not limited to:

(a) The roadways, drives, yards, gardens and parking areas;

(b) Easements created for the benefit of the Condominium Property;

(c) In general, all apparatus and installations existing for common use;

(d) Such community facilities as may be provided for in the Declaration;

(e) All other parts of the Condominium Property necessary or convenient to its existence, maintenance, and safety, or normally in common use, or that have been designated as Common Elements in the Declaration or Drawings.

(H) "Common Assessments" means assessments charged proportionately against all Units for common purposes.

(I) "Common Expenses" means those expenses designated as such in the Act or in accordance with the provisions of this Declaration, or both.

(J) "Common Losses" means the amount by which the Common Expenses during any period of time exceeds Common Assessments and Common Profits during that period.

(K) "Common Profits" means the amount by which the total income received from assessments charged for special benefits to specific Units, rents received from rentals of equipment or space in Common Elements, and any other fee, charge or income other than Common Assessments exceeds expenses allocable to the income, rental, fee or charge.

(L) "Common Surplus" means the amount by which Common Assessments collected during any period exceed Common Expenses.

(M) "Condominium Development" means a Condominium Property in which two or more individual dwelling Units, together, with undivided interests in the Common Elements of the Property, are offered for sale pursuant to a common promotional plan.

(N) "Condominium Instruments" means this Declaration and accompanying Drawings, the Bylaws of the Association, any contracts pertaining to the management of the Condominium Property, and all other documents, contracts, or instruments establishing ownership of or exerting control over the Condominium Property or a Unit.

(O) "Condominium Ownership Interest" or "Ownership Interest" means a fee simple estate in a Unit, together with an appurtenant undivided interest in the Common Elements.

(P) "Condominium Property" (and/or "Property") means the Phase I Parcel, the Buildings, improvements and structures on the Phase I Parcel, all easements, rights and appurtenances belonging to the Phase I Parcel, and all articles of personal property submitted to the provisions of the Act; provided, however, when the Additional Lands or any portion or portions thereof, has been added to the Condominium Property pursuant to the provisions of Article XI, hereof, the term "Condominium Property" shall also include the Additional Lands, or any portion or portions thereof, together with all buildings, improvements, and structures belonging to the Additional Lands, all easements, rights, and appurtenances belonging to the Additional Lands, and all articles of personal property, submitted to the provisions of the Act.

(Q) "Declaration" means the instrument by which the Property is submitted to Chapter 5311 of the Ohio Revised Code and any and all amendments to the Declaration.

(R) "Limited Common Elements" means the Common Elements designated in the Declaration as reserved for a certain Unit or Units to the exclusion of other Units.

(S) "Occupant" means a person or persons, natural or artificial, in possession of a Unit.

(T) "Phase I Parcel" means the real estate described in Exhibit "1" attached hereto and made a part hereof.

(U) "Phase I Parcel Buildings" means the Buildings, structures, improvements and fixtures constructed on Phase I Parcel.

(V) "Purchaser" includes both an actual and prospective purchaser of a Condominium Ownership Interest.

(W) "Rules" means such rules and regulations governing the operation and use of the Condominium Property or any portion thereof as may be adopted from time to time by the Association or the Board.

(X) "Sale of a Condominium Ownership Interest" means the execution by both parties of an agreement for the conveyance or transfer for consideration of a Condominium Ownership Interest except Sale of a Condominium Ownership Interest for the purposes of this Declaration shall not include a transfer of two or more Units from the Declarant to another developer, a subsidiary of the Declarant, or a financial institution for the purpose of facilitating the sale of or the development of the remaining or unsold portion of the Property.

(Y) "Unit" means that portion of a Building as designated in the Declaration and delineated on the Drawings provided for in Section 5311.07 of the Act. "Unit" is more fully defined in Article II (A) hereof.

(Z) "Unit Owner" means a person who owns a Condominium Ownership Interest in a Unit.

(AA) "Unit Owners Association" means the organization of all the owners of Units in the Condominium Property that administers the Condominium Property. The Unit Owners' Association is Nautical Ridge Condominium Owners' Association. The Unit Owners Association is hereinafter sometimes called the "Association".

ARTICLE II

ESTABLISHMENT OF CONDOMINIUM OWNERSHIP AND DIVISION OF CONDOMINIUM PROPERTY

Declarant, to establish a plan of condominium ownership for the Condominium Property, submits the Condominium Property to the provisions of Chapter 5311 of the Ohio Revised Code. The Condominium Property, including the Buildings thereon, containing seven (7) Units, is hereby divided into seven (7) separately designated and legally described freehold estates, and one freehold estate constituting the "Common Elements".

Insofar as is possible, all the particulars of the land, buildings, and other improvements, including but not

limited to, the layout, location, designations and dimensions of each Unit, the layout, location and dimensions of the Common Elements and Limited Common Elements, and the location and dimensions of all appurtenant easements are shown graphically on the set of drawings incorporated herein by reference as Exhibit "A", prepared and bearing the certified statements of Foresight Engineering Group Registered Engineers and Surveyors, as required by Section 5311.07, of the Ohio Revised Code. Such set of drawings is hereinafter referred to as the "Drawings" or "Allotted Drawings" and the separate drawings comprising the set are hereinafter referred to by reference to the exhibit designations thereon.

(A) Units. Each of the seven (7) Units hereinbefore declared and established as a freehold estate shall consist of the space in the Building designated by that Unit's designation on the Allotted Drawings that is bounded by the exterior edge of the stud wall located along the perimeter of the Building (but excluding the exterior veneer and any cavity between such veneer and the stud wall), the center of any dividing wall between two Units, the unfinished surface of the concrete floor, and the unfinished interior surface of the ceiling, all projected, if necessary by reason of structural divisions such as structural columns, to constitute a complete enclosure of space, and all improvements within that space (except as described below). Without limiting the generality of the foregoing, each Unit shall include:

(1) The portion of any nonstructural wall, from the center of the wall inward, that divides the Unit from another Unit;

(2) All interior nonstructural walls and partitions, including drywall as well as finishes, and including all components of the walls and the space occupied by them;

(3) The drywall and other nonstructural materials along the outside edge of the stud wall, exclusive of structural elements and exclusive of the exterior veneer and any cavity between such veneer and the stud wall, and including all nonstructural components of the wall and the space occupied by the same;

(4) The decorated surfaces, including paint, lacquer, varnish, wallpaper, tile and other finishing material applied to ceiling and floors, and interior and perimeter walls and carpets, and the drywall, paneling and other finishing material

attached to the perimeter walls;

(5) Any interior and perimeter windows, skylights, screens and doors, including the frames, sashes, sills, jambs, glass, molding, trim and hardware, and the space occupied by those items;

(6) Any interior and perimeter doors, including the door handles and hardware attached thereto, the garage doors and the space occupied by those items;

(7) All fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the Building and from utility pipes, lines or systems serving the entire Building or more than one Unit, including, without limitation, chimneys, vents, built-in cabinets, dishwashers, garbage disposal units, trash compactors, refrigerators, stoves and hoods, television antennas and cables, smoke detectors, security systems, hot water heaters (if any) serving only one Unit, heat pumps, vertical stack water source heat pump compressor unit, and air-conditioning units, and their components, if any (even if located outside of the bounds of the Unit), serving only that Unit;

(8) All control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and roof decks which service either the Unit or the fixtures located therein, together with the space occupied by those items;

(9) All utility pipes or lines or systems, that serve either the Unit or the fixtures located in the Unit, and which are located within the bounds of the Unit or within the exterior walls of that Unit, from the point of disconnection from the utility pipes or lines or systems serving the entire Building or more than that one Unit; excluding, however, all of the following items located within the bounds of that Unit:

(a) Any structural elements of the Building; and

(b) All plumbing, electric, heating, cooling and other utility pipes, lines or systems that serve any other Unit.

The layout, location, designation and dimensions of all Units are shown on the Allotted Drawings in Exhibit "A" incorporated herein by reference. Each Unit has a direct exit to

a public street or to a Common Element leading to a public street.

A narrative description of the Units is attached hereto and made a part hereof as Exhibit "3".

Any inconsistencies between the narrative description of the Units as set forth in Exhibit "3" and the Allotted Drawings shall be resolved in favor of the Allotted Drawings.

(B) Common Elements.

(1) Description of Common Elements. The entire balance of the land and improvements thereon, including but not limited to, all exterior parking spaces, roadways, community facilities, if any, pumps, trees, lawns, gardens, pavement, wires, conduits, utility lines and ducts now or hereafter situated on the Condominium Property, all as hereinbefore more specifically described in Article I(G) hereof, are hereby declared and established as the Common Elements. Unless otherwise provided by the Unit Owners' Association, however, the care, maintenance, repair and replacement of all or any portion of such elements or fixtures located within a Unit shall be the responsibility of the owner of such Unit.

(2) Limited Elements. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy to the exclusion of all others the Limited Common Elements which serve only his Unit. The Limited Common Elements with respect to each Unit shall consist of such of the following as may be construed to be Common Elements:

(a) All ducts and plumbing, electrical and other fixtures, equipment and appurtenances, including the individual air-conditioning compressor for each Unit which is located outside the bounds of the Unit but which serves only the particular Unit, all other heating, air-conditioning and ventilating equipment and systems located in a Unit, thermostats and control devices, if any, and sanitary and storm sewer cleanouts located outside the bounds of a Unit but serving a particular Unit, and the structure for any of the foregoing (and space

thereof), if any, located outside such Unit containing equipment serving only such Unit;

(b) All gas, electric, television antennas, if any, telephone, intercom, water or other utility or service lines, pipes, wires and conduits located outside the bounds of such Unit and which serve only such Unit;

(c) The driveway accessory to each Unit and the walkway connecting from the driveway to each Unit;

(d) All other parts of the Common Elements which serve only such Unit.

(3) Use of Common Elements. Each owner of a Unit shall own an undivided interest in the Common Elements as a tenant in common with all other such owners, and, except as otherwise limited in this Declaration and in the Bylaws attached hereto as Exhibit "4", each owner shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of residence and such other incidental uses permitted by this Declaration and the Bylaws, including the non-exclusive easement, together with other Unit Owners, to the use and enjoyment of the Common Elements and for ingress and egress to and from the respective Units, which rights shall be appurtenant to and shall run with his Unit. The extent of such ownership in the Common Elements is hereby deemed and expressed by the percentage amount hereinafter set forth; such percentage amount shall remain constant and shall not be changed except by an amendment to this Declaration unanimously approved by all Unit Owners affected, or except by amendment to this Declaration in the manner provided in Article XII herein for the purpose of adding to the Condominium Property pursuant to Article XI herein.

(4) Ownership of Common Elements. The percentage of ownership of the Common Elements attributable to the ownership interest in each Unit, together with the percentage of interest in the Association for the division of Common Expenses, Common Assessments, Common Surplus, Common Profits and Common Losses, as hereinafter described in Article V, Section (D), of

this Declaration, shall be in accordance with Exhibit "5" attached hereto and made a part hereof.

The percentage of interest in the Common Elements is in the proportion that the par value of the Unit bears to the aggregate par value of all Units. For purposes of conveyance of title to Purchasers of individual Units, description by Unit number and reference to this Declaration, any amendments hereto and the Drawings and any amendments to the Drawings shall be sufficient to convey the Unit and the Ownership Interest in the Common Elements (including the Limited Common Elements) appurtenant thereto.

(5) Partition. There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the Condominium Property is withdrawn from its terms or from the terms of any statute applicable to Condominium Ownership; provided, however, that if any Unit shall be owned by two or more co-owners as tenants in common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of such Unit ownership as between such co-owners.

(6) Regulation and Management of Common Elements

(a) Regulation by Association. No person shall use the Common Elements or any part thereof in any manner contrary to or not in accordance with such Rules pertaining thereto as from time to time may be adopted by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate Rules limiting the use of the Common Elements to members of the Association and their respective families, guests, invitees, tenants, agents and servants. Subject to the Rules from time to time promulgated by the Association, all owners may use the Common Elements in such manner as will not restrict, interfere with or impede the use thereof by other owners.

(b) Management Agreement. Except as otherwise provided herein, management, repair, alteration and improvement of the Common Elements

shall be the responsibility of the Association. The Declarant for and on behalf of the Association, upon its creation, shall enter into a Management Agreement with MutliVest Management, Inc., an Ohio Corporation, the Management Agreement to be in the form of Exhibit "6" attached hereto and made a part hereof, delegating to Declarant the Association's primary authority and responsibility to manage, repair, alter and improve the Common Elements. As stated in Exhibit "6", the Management Agreement shall be for a term of two (2) years and shall automatically renew itself for an additional two (2) year term unless either party elects to terminate the Management Agreement in accordance with the terms thereof. The initial two (2) year term shall commence on April 15, 2006. Notwithstanding the foregoing, the Association shall not be obligated under the provisions of the management agreement for a period which exceeds more than ninety (90) days subsequent to the date that the Unit Owners, other than the Developer, assume control of the Unit Owners' Association. The management agreement may thereafter be renewed with the approval of Unit Owners entitled to exercise the majority of the voting power of the Association.

(C) Management, Maintenance, Repairs, Alterations and Improvements.

(1) The Association.

(a) The Association shall manage the Common Elements and shall maintain and keep the same in a state of good working order, condition and repair, in a clean, neat, safe and sanitary condition, and in conformity with all laws, ordinances and regulations applicable to the Common Elements, by promptly, properly and in a good and workmanlike manner, making all repairs, replacements, alterations and other improvements necessary to comply with the foregoing. The Association shall also be responsible for repairing all damage to a Unit caused by the Association, including damage caused by performance by the Association of its obligations

hereunder. As provided in Article II(B)(6)(b) hereof, the Association may delegate all or any portion of its authority to discharge such responsibility to a manager or Managing Agent.

- (b) The Association shall also maintain, repair and replace the driveway areas within the Common Elements and shall maintain the landscaping of the Common Elements and Limited Common Elements. The Association shall be responsible for snow removal within the Limited Common Elements portion of the driveway.

If a Unit Owner improves the landscaping within the Limited Common Element attributable to his Unit, and such improvement results in extraordinary landscape maintenance services, the Unit Owner shall remit to the Association the amount of any increase in the maintenance of such Limited Common Element attributable to such extraordinary landscape services.

(2) Unit Owner. Except as may otherwise be provided herein, the responsibility of each Unit Owner shall be as follows:

- (a) To maintain, repair and replace at his expense all portions of his Unit, including, but not limited to, foundations, windows, skylights, exterior doors (including the door handles and hardware attached thereto), garage doors and all internal and external installations of such Unit such as appliances, plumbing, electrical and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the Unit boundaries, other than such utility facilities serving other Units, and to assume the same responsibility with respect to the Limited Common Elements belonging to his Unit, including watering the Limited Common yard areas adjacent to his Unit or making such water available to the Association, Management Company or their respective contractors, agents and employees. Each Unit Owner is responsible for maintenance and repair of the walks serving his Unit, including snow removal from his walks. Each

Unit Owner is also responsible for maintenance, repair and replacement of the driveway serving his Unit.

(b) Not to make any alterations within the portions of the Unit or the Common Elements, including Limited Common Elements (except as permitted by Sections (E), (F) and (G) of Article VIII), which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness of the Units or the Common Elements without first obtaining the written consent of the Board, nor shall any Unit Owner impair any easement without first obtaining the written consent of the Association and of the person or persons for whose benefit such easement exists.

(c) Not to paint or otherwise finish, decorate or change the appearance of any portion of the exterior of a Unit without the prior written consent of the Board of the Association.

(d) To report promptly to the Association or its agent any defect or need for repairs, the responsibility for the remedying of which is with the Association.

(e) To perform his responsibilities in such a manner so as not unreasonably to disturb other persons residing within the Condominium Property.

(f) To maintain, repair and replace at his expense all portions of the Condominium Property which may be damaged or destroyed by reason of his own act or neglect, the act or neglect of any Occupant of his Unit, or the willful act or neglect of any invitee, licensee or guest of such Unit Owner or Occupant, to the extent such damage or destruction is not covered by insurance maintained by the Association. Notwithstanding the foregoing obligation of the Unit Owner, the Association (or other Unit Owner in respect to his own Unit) may, but shall not be obligated to, repair and replace the property damaged or destroyed by reason of the act or neglect of a

Unit Owner, an Occupant, or their invitee, licensee or guest, and charge and collect from such Unit Owner the cost and expense paid or incurred in making any such repair or replacement. If the repair or replacement is made by the Association, the cost and expense thereof shall be a lien against the Unit Owner's Ownership Interest which the Association may assert and collect in the same manner as the Association may assert and collect a lien against a Unit Owner's Ownership Interest for non-payment of his share of assessments for Common Expenses. The right herein of the Association to assert and collect upon a lien shall not be exclusive, but shall be in addition to all other rights and remedies available to the Association, herein, in law and in equity for recovery of the cost and expense so incurred.

(g) To pay all costs for utility services (such as, without limitation, water, gas, electricity, sewage, rubbish and trash disposal or treatment and the like) furnished to his Unit or to the Limited Common Elements designated for his use, unless any or all of such services are provided or paid for by the Association and charged to the Unit Owner as part of the Common Expenses, in which case all or any of such services so provided by the Association shall be paid for by the Unit Owner as part of his share of the Common Expenses.

(3) Rights Against Third Parties. The obligation of the Association and of Unit Owners to repair, maintain and replace the portions of the Condominium Property for which they are respectively responsible shall not be limited, discharged or postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction, repair, alteration or improvement of the Condominium Property. The undertaking of repair, maintenance or replacement by the Association or Unit Owners shall not constitute a waiver of any rights against any warrantor but such rights shall be specifically reserved.

Notwithstanding the fact that the Association and/or any Unit Owner may be entitled to the benefit of any guarantee of material and workmanship for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of construction guarantee or insurance coverage shall not excuse any delay by the Association or any Unit Owner in performing its or his obligation hereunder.

ARTICLE III

PROVISIONS AS TO EASEMENTS, UNITS, AND COMMON ELEMENTS

Declarant hereby creates by grant or reservation, as the case may be, in perpetuity, for its benefit and for the benefit of each Unit Owner, each mortgagee in whose favor a mortgage shall be granted with respect to any Unit, the Association, and to any other person now having or hereafter having an interest in the Phase I Parcel and the Additional Lands or any part thereof, and the respective heirs, devisees, executors, administrators, personal representatives, successors and assigns of the foregoing persons, the following nonexclusive rights and easements as and to the specified parties:

(A) Roadway, Utility and Other Easements. To the Declarant and the Association, the right and easement to construct, install, repair, replace, relocate, operate and maintain roadways, driveways, sidewalks, water mains with service connections, storm and sanitary sewer lines, steam, electric, gas and telephone lines, conduits, and transmission and meter devices and other utilities, in, on, under and/or over the Condominium Property; the right and easement to construct, install, repair, replace, relocate, operate and maintain television cable lines and other television reception devices and security devices; the right and easement to construct, install, repair, replace, relocate, operate and maintain that portion of the heating, air-conditioning and other equipment and systems located outside of the bounds of a Unit but which serves only a particular Unit. There is further reserved for the Declarant, the Association, the Management Company or their respective contractors, agents and employees to use the outdoor faucets of Units for the purpose of watering yard areas.

(B) Encroachments. If by reason of the construction,

repair, restoration, partial or total destruction and rebuilding, or settlement or shifting of any of the Buildings or improvements constituting a part of the Condominium Property, any part of the Common Elements shall encroach upon any part of a Unit, or any part of a Unit shall encroach upon any part of the Common Elements, or any part of a Unit shall encroach upon any part of any other Unit, or if by reason of the design or construction or rebuilding of the utility systems comprised within the Condominium Property any pipes, ducts or conduits serving a Unit shall encroach upon any other Unit, easements in favor of the Unit Owner or Association, as the case may be, for the maintenance of any such encroachment are hereby established; provided, however, in no event shall a valid easement for any encroachment be created in favor of a Unit Owner if such encroachment occurred due to his willful conduct.

(C) Maintenance Easements. Easements in favor of the Association over the Units and Limited Common Elements for access as may be necessary for the purpose of maintaining the Common Elements and easements in favor of each Unit Owner over the Common Elements for access to his Unit. Easements in favor of each Unit Owner to and through the Common Elements as may be necessary for the use of water, gas, storm and sanitary sewers, electric and telephone lines, and other utilities now or hereafter existing within the walls; easements for the use of television cable lines and other television reception devices, subject to the provisions of Article VIII (D) hereof; easements for the use of security alarms and other security devices.

(D) Easements Through Units and Limited Common Elements. Easements in favor of the Association through the Units and the Limited Common Elements for the purpose of installing, laying, maintaining, repairing and replacing any pipes, wires, ducts, conduits, public utility lines or structural components through the walls of the Units.

(E) Unit Owner's Right to Ingress and Egress. Each Unit Owner shall have the right to ingress and egress over, upon and across the Common Elements necessary for access to his Unit, including the driveway area adjacent to the garage of each Unit that provides access from the garage to the roadway (the Unit Owner to have the exclusive right to park cars within said driveway area), and to any Limited Common Elements designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

(F) Association's Right to Use of Common Elements. The

Declarant and the Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions required or permitted pursuant to this Declaration, including the right to construct and maintain in the Common Elements mechanical, maintenance and storage facilities for use by the Association.

(G) Reservation by Declarant of Easements for Ingress and Egress, Utilities and Construction. The Declarant herein hereby reserves unto itself or as long as the Declarant owns a Condominium Ownership Interest in the Condominium Property or Additional Lands the easement and right for the benefit of and use by Declarant, and its agents, officers, directors, employees, licensees, servants, tenants, personal representatives, successors and assigns for ingress and egress by foot, automobile and otherwise and for utility and facility purposes, over, through and under the Condominium Property and any part thereof other than a Unit not owned by the Declarant. The Declarant further reserves easements over Condominium Property for the benefit of the Additional Lands to establish the grade of the Additional Lands and for necessary access to construct the Additional Lands Buildings and other improvements upon the Additional Lands.

(H) Future Easements to Others. Such easements as Declarant, or the Association if the same has been formed, from time to time may hereafter grant to others on behalf of the Condominium Property for roadway, access and utility purposes, including, but not limited to, the, right to install, lay, maintain, repair and replace roadways, water mains and pipes, storm and sanitary sewer lines, drainage ditches, gas mains, telephone wires and equipment and television and electrical cables, conduits and wire over, under and along any portion of the Common Elements (other than Limited Common Elements), provided that it shall be a condition precedent to the use and enjoyment of any such easements that the owner or owners of land benefited thereby shall, at his, its or their expense, restore the Common Elements to the same condition as existed just prior to the installation of any such utility improvements, and provided further that the owner or owners of such benefited land shall pay their fair share of the cost and expense of repairing, replacing, relocating and operating said improvements, said fair share to be determined in accordance with the provisions of Section (K) of this Article III. Each Unit Owner and his respective mortgagee by acceptance of a deed conveying such Condominium Ownership Interest or a mortgage encumbering such Condominium Ownership Interest, as the case may be, hereby

irrevocably appoints the Declarant, or the Association if the same has been formed, his Attorney-in-Fact, coupled with an interest, and authorizes, directs and empowers such Attorney, at the option of the Attorney, to execute, acknowledge and record for and in the name of such Unit Owner and his mortgagee such easements or other instruments as may be necessary to effect the foregoing.

Each grantee of a Unit and each mortgagee in whose favor a mortgage with respect to any Unit is granted shall be subject to and have the benefit of (as the case may be) each of the easements herein provided in the same manner and to the same extent as though such easements were expressly provided for and fully set forth in the deed of conveyance or mortgage (as the case may be), notwithstanding the omission from such deed of conveyance or mortgage (as the case may be) of reference to such easements.

(I) Utility Easements. The Common Elements and Limited Common Elements shall be, and hereby are, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Common Elements and Limited Common Elements. The easements created in this Section shall include, without limitation, rights of governmental agencies or authorities to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits, equipment, ducts and vents, over, under, through, along and on the Common Elements and Limited Common Elements. Notwithstanding the foregoing provision of this section, unless approved in writing by the Owners affected thereby, any such easement shall be located in substantially the same location as such facilities existed at the time of first conveyance of the subject Limited Common Element by the Declarant, or as shown on the Record Plan, or so as not to materially interfere with the use of occupancy of the Limited Common Element by its Owners and Occupants.

No storm sewers, sanitary sewers, electrical lines, water lines or other utilities may be installed or relocated on the Record Plat, except as may be approved by the Declarant.

Should any entity furnishing a service covered by the general easement herein request a specific easement by a

separate recordable document, the Declarant or the Unit Owners Association shall have the right to grant such easement without conflicting the terms hereof. The easements provided in this Section shall in no way adversely affect any other easement shown on the Record Plan.

(J) The Village of Fairport Harbor. The Common Elements and the Surface Water Management System shall be subject to a non-exclusive easement to The Village of Fairport Harbor, and to all police, fire and other emergency personnel, ambulance operators, delivery, garbage and trash removal personnel, and to all similar persons, and to the local governmental authorities. Under this easement, those persons may enter upon the Common Elements and the Surface Water Management System in the performance of their duties. This easement does not run to the public in general.

(K) Easement Rights. The above easements are to be enjoyed in common with the grantees, their heirs, executors, administrators, successors and assigns, with the right reserved in the Declarant, its successors and assigns, to grant, assign, or convey or dedicate to public use all or a portion of the easement rights herein to one or more assignees or grantees as an appurtenance to the Condominium Property and Additional Lands, without it being considered by the grantees, their heirs, executors, administrators, successors and assigns, as an additional burden on said easement and/or the Condominium Property. Any assignment, conveyance or dedication of said easement rights by the Declarant may be made at the same time or at successive times, and the residuary easement rights of the Declarant shall not cease or determine until the Declarant has no remaining interest, of record, in the Condominium Development or Additional Lands. However, the rights of all assignees or grantees in the reserved easements shall remain in full force and effect.

(L) No Severance of Ownership. No owner shall execute any deed, mortgage, lease, or other instrument affecting title to his Condominium Ownership Interest without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

(M) Sharing of Expenses. In the event all or any portion of the Additional Lands is not added to the Condominium Property ("Non-Added Property"), and such Non-Added Property is subsequently developed and improved by the construction thereon of dwelling units, then the fair share of the cost and expense of repairing, replacing, relocating, operating and maintaining roadways, sidewalks, water mains and service connections, storm and sanitary sewer lines, a retention basin, if any, and drainage thereto, steam, electric, gas, telephone and cable television lines, conduits, and transmission and meter devices and other utilities and facilities installed on, in, over or under the Condominium Property and/or the Additional Lands and which are utilized in common by the Condominium Property and the Non-Added Property shall be apportioned among all of the Unit Owners and/or the owner(s) of the Non-Added Property, based on the total number of Units situated within the Condominium Property plus the total number of dwelling units actually constructed on the Non-Added Property (e.g., the total number of condominium units, if the Non-Added Property is submitted to condominium ownership; the total number of residences if the Non-Added Property is improved with single-family residences; the total number of rental units if the Non-Added Property is improved with rental units); such fair share of such expenses attributable to the Non-Added Property shall be determined by a fraction, the numerator of which shall be the number of dwelling units constructed on said property and the denominator of which shall be the total number of dwelling units constructed on the Condominium Property, and the Non-Added Property. The Non-Added Property shall not be chargeable hereunder unless and until the same is improved by the construction thereon of dwelling Units and such dwelling Units utilize the above improvements. If all or a portion of the Additional Lands is not added to the Condominium Property, Declarant reserves the right to execute and record a Declaration of Easements establishing a mechanism for the governance of the rights and obligations set forth in this subsection (M).

ARTICLE IV

UNIT OWNERS' ASSOCIATION OF NAUTICAL RIDGE CONDOMINIUMS

(A) Membership. Declarant shall cause to be formed an Ohio corporation not for profit to be called NAUTICAL RIDGE CONDOMINIUM OWNERS' ASSOCIATION, INC. which shall administer the Condominium Property. Each Unit Owner, upon acquisition of title

to a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such member of his Unit ownership, at which time the new owner of such Unit shall automatically become a member of the Association. The Board of Directors of the Association elected as provided in the Bylaws of the Association, attached hereto as Exhibit "4", shall exercise the powers, discharge the duties and be vested with the rights conferred by operation of law, by the Bylaws and by this Declaration upon the Association, except as otherwise specifically provided; provided, however, that in the event any such power, duty or right shall be deemed exercisable or dischargeable by, or vested in, an officer or a member of the Board of Directors, solely in his capacity as an officer or a member of the Board of Directors, he shall be deemed to act in such capacity to the extent required to authenticate his acts and to carry out the purposes of this Declaration and the Bylaws attached hereto as Exhibit "4".

(B) Administration of Condominium Property. The administration of the Condominium Property shall be in accordance with the provisions of this Declaration and the Bylaws of the Association which are attached hereto as Exhibit "4", and each owner, tenant or occupant of a Unit shall comply with the provisions of this Declaration, the Bylaws, decisions, rules, regulations and resolutions of the Association or its representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, rules, regulations, and resolutions, shall be grounds for an action to recover sums due for damages, or for injunctive relief.

(C) Service of Process. Service of summons or other process upon the Association may be made in accordance with the provisions of the Ohio Revised Code, Section 5311.20. The President, a Vice President, the Secretary or Treasurer of the Association shall be designated by the Board of Directors of the Association as its statutory agent and the statutory agent so designated shall be a resident of the Condominium and an owner of one of its units. Until such time as a statutory agent is designated, service may be made upon Ryan P. Sommers, Nautical Ridge Development LLC, 10585 Somerset Drive, Chardon, Ohio 44024. When and after the Association is lawfully constituted the statutory agent thereof shall be the person to receive service of process, and his name and address (and that of each successor) shall be filed with the Ohio Secretary of State on such forms as are prescribed for the subsequent appointment of a statutory agent for an Ohio corporation not for profit.

Notwithstanding the foregoing, the Declarant reserves the right of the Association to designate a statutory agent to the extent permitted by Sections 5311.08 and 5311.25 of the Act.

ARTICLE V

ASSESSMENTS

(A) General. Assessments for the management, maintenance, repair and insurance of the Common Elements and amounts determined by the Board of Directors of the Association for the establishment and maintenance of the reserve fund to meet the cost and expense of repair and replacement of the Common Elements together with the payment of the Common Expenses, shall be made in the manner provided herein, and in the manner provided in the Bylaws attached hereto as Exhibit "4".

(B) Reserve of the Association. Upon the conveyance of record title to an Owner from Declarant, the Owner shall make a payment equal to two (2) installments of the monthly assessments for common Expenses for each Unit purchased as a contribution to the working capital and reserves of the Association ("Reserve Payment"). The Association shall maintain all Reserve Payments in segregated accounts to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the Owners. Such payment to this fund shall not be considered advance payments of annual assessments. Declarant may not use any Reserve Payments to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits.

(C) Sewer Reserve. Upon the conveyance of record title to a Unit Owner from Declarant, the Unit Owner shall make a payment of One Hundred Eighty Seven and 50/100 Dollars (\$187.50) as a contribution to the reserve for the maintenance and repair of the sanitary sewer lines and related appurtenances as required by the Lake County Utilities Department ("Sewer Reserve"). The Association shall maintain all Reserve Payments in a segregated account to be used only for the maintenance and repair of the sanitary sewers and related appurtenances. Such payment to this fund shall not constitute advance payments of annual assessments. Declarant may not use any Reserve Payments to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits.

(D) Division of Common Expenses, Common Assessments, Common Surplus, Common Profits and Common Losses. The proportionate shares of the separate owners of the respective Units in the Common Expenses, Common Assessments, Common Surplus, Common Profits and Common Losses of the operation of the Condominium Property is based upon the par value of such Units expressed in Exhibit "5" hereof. The acquisition or occupancy of any Unit shall be conclusive evidence against the owner or occupant thereof that the percentage set forth opposite each Unit in Exhibit "5" of this Declaration is in the proportion that the par value of the Unit bears to the aggregate par value of all Units on the date this Declaration is filed for record, or the date an amendment to this Declaration is filed for record pursuant to Article XII hereof, and the proportionate share of profits and expenses of each Unit Owner shall be in accordance with said percentages set forth in Exhibit "5" hereof.

(E) Non-Use of Facilities. No owner of a Unit may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of the Common Elements, or by the abandonment of his Unit.

(F) Lien of Association. The Association shall have the right to place a lien upon the estate or interest in any Unit of the owner thereof and his percentage of interest in the Common Elements for the payment of the portion of the Common Expenses chargeable against such Unit which remains unpaid for ten (10) days after such portion has become due and payable by filing a certificate therefor with the Recorder of Lake County, Ohio, pursuant to authorization given by the Board of Directors of the Association. The certificate shall contain a description of the Unit, the name or names of the record owner or owners, and the amount of the unpaid portion of the Common Expenses. The lien is valid for a period of five (5) years from the date of filing, unless sooner released or satisfied in the same manner provided by law for the release and satisfaction of mortgages on real property or discharged by the final judgment or order of a court in an action brought to discharge the lien as hereinafter provided. In addition, each Unit Owner shall be personally liable for all assessments levied by the Association against his Unit during the period he has an ownership interest therein, and any Common Assessment not paid within ten (10) days after the same shall become due and payable, shall bear interest at the maximum rate allowed by law until such time as the Common Assessment has been paid in full and the Association shall be

entitled to levy against the delinquent Unit Owner a service charge of five percent (5%) of the amount of the delinquent payment in order to defray the administrative costs of collection and court costs and reasonable attorneys fees.

(G) Priority of Association's Lien. The lien provided for in Section (F) of this Article V is prior to any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of first mortgages that have been filed for record. The lien provided for in Section (F) of this Article V may be foreclosed in the same manner as a mortgage on real property in an action brought on behalf of the Association by its president or any other chief officer pursuant to authority given to him by the Board of Directors. In the foreclosure action, the Association, or its agent, duly authorized by action of the Board of Directors, is entitled to become a purchaser at the foreclosure sale. Suit to recover for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing payment of the same.

(H) Dispute as to Common Expenses. A Unit Owner who believes that the portion of Common Expenses chargeable to his Unit, for which a certificate of lien has been filed by the Association, has been improperly charged against him or his Unit may commence an action for the discharge of the lien in the Court of Common Pleas for Lake County, Ohio. In the action, if it is finally determined that the portion of Common Expenses has been improperly charged to the owner or his Unit, the court shall make an order as is just, which may provide for a discharge of record of all or a portion of the lien.

(I) Non-Liability of Judicial Sale Purchaser for Past Due Common Expenses where the mortgagee of record or other purchaser of a Unit acquires title to the Unit as a result of a judicial sale resulting from litigation, or where the mortgagee of a first mortgage of record in lieu of the foreclosure of its mortgage acquires title to the Unit by accepting a deed to the Unit, such acquirer of title, its successors and assigns, shall not be liable for the share of the Common Expenses or other assessments by the Association chargeable to such Unit which become due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from the owners of all of the Units, including the Unit of such acquirer, his heirs, executors, administrators, successors or assigns at the time the first assessment next following the acquisition of title to such Unit by such acquirer.

(J) Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Unit, other than by deed in lieu of foreclosure, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments levied by the Association against the grantor and his Unit for his share of Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of all unpaid assessments against the grantor due the Association, and such grantee shall not be liable for nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in such statement for the period reflected in such statement.

ARTICLE VI

PARTY WALLS

(A) General Rules of Law to Apply. Each wall which is built within a Building as a part of the original construction of the Units and is shared by adjoining Units shall constitute a party wall; and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(B) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Unit Owners who make use of the wall in proportion to such use.

(C) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Unit Owner who has used the wall may restore it, and if the other Unit Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Unit Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) Weatherproofing. Notwithstanding any other provision of this Article, a Unit Owner who by his negligent or

willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(E) Right to Contribution Runs with the Land. The right of any Unit Owner to contribution from any other Unit Owner under this Article shall be appurtenant to the land and shall pass to such Unit Owner's successor in title.

(F) Arbitration. Any dispute, controversy or claim arising concerning a party wall, or under the provisions of this Article, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then in effect, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

ARTICLE VII

INSURANCE AND RECONSTRUCTION

(A) Casualty Insurance. The Association, as a Common Expense, shall obtain for the benefit of the Association, all of the Unit Owners and their respective mortgagees, as their interests may appear, and thereafter maintain in full force and effect at all times, insurance (except such insurance as may be separately provided for by a Unit Owner pursuant to Article VII(C) of this Declaration) on the following (comprising and being hereinafter referred to as the "Insured Property"): All structures (other than Units) and improvements and facilities now and at any time hereafter constituting a part of the Common Elements of the Condominium Property and all personal property owned by the Association. Said insurance shall afford protection against loss or damage by fire, lightning and such other perils as are now or hereafter covered by the standard form extended coverage endorsement commonly issued in Lake County, Ohio and such other risks as from time to time customarily shall be covered with respect to buildings, structures, improvements and facilities similar in construction, location and use as the buildings, structures, improvements and facilities comprised as part of the Condominium Property, including without limitations, vandalism, malicious mischief, windstorm, plate glass and water damage, subject to such deductible amounts not in excess of Five Thousand Dollars (\$5,000.00) as the Board shall determine. The casualty insurance to be purchased hereunder shall be in an amount equal to not less than one hundred percent (100%) of the full replacement cost of the Insured Property, exclusive of excavations and foundations and exclusive of individual Units

which shall be separately insured by Unit Owners as provided in Article VII(C) of this Declaration. The amount of casualty insurance shall be reviewed annually and adjusted if necessary. The cost of an appraisal shall be a Common Expense. Such casualty insurance shall provide (1) for the issuance of certificates of insurance to the Unit Owners, (2) for the issuance of certificates of insurance to the holders of mortgages on the Units, (3) that for the purpose of such insurance, improvements to Units made by Unit Owners shall not affect the valuation of the Insured Property, (4) for the payment of claims without apportionment or contribution, as though no other policy existed, (5) that the insurer waives all defenses based upon the "increase in hazard" provision, co-insurance, invalidity arising by acts of an insured, or similar defenses and waiving the so-called "vacancy" clause, (6) that the insurer waives its right of subrogations against Declarant, Unit Owners, the Association, any Managing Agent and their respective families, agents, tenants, guests and employees and all persons lawfully in possession or control of any part of the Condominium Property, (7) that the insurer waives its right to elect to restore the Condominium Property, or any part thereof, in lieu of making a cash settlement in the case of the termination of this Condominium as provided for in this Declaration or pursuant to the provisions of the Act, and (8) that coverage under such insurance will not be terminated, cancelled or materially modified without ten (10) days prior written notice to all insureds, including each mortgagee holding a mortgage encumbering a Unit. The Association shall pay the premiums for the insurance herein required at least thirty (30) days prior to the expiration date thereof. Certificates of such insurance, together with proof of payment of the premium therefor, shall be delivered by the Association to each Unit Owner and its respective mortgagee(s) at least ten (10) days prior to the expiration of the then current policy(s). Furthermore, the Association shall have the right, but not the obligation, to insure portions of a Unit and the provisions of this Article VII shall not invalidate any such insurance.

(B) Insurance Beneficiaries. All casualty insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their respective mortgagee(s), as their respective interest may appear. Such casualty insurance policies shall provide that all proceeds payable as a result of losses shall be paid to the Association as trustee for the Unit Owners and their respective mortgagees, except that if a bank, savings and loan association or other institutional mortgagee is the holder of mortgages on five (5)

or more Units at the time of the loss, such mortgagee shall have the right to be named as an additional payee on the insurance draft issued in settlement of such loss.

(C) Unit Owners' Insurance. Each Unit Owner shall separately insure his Unit (as the term "Unit" is defined in Article I(Y) and Article II(A) hereof to be the separate dwelling in the Building as shown on the Allotted Drawings including, but not limited to the attached garage, the foundation, slab, basement, if any, floors, and all interior walls) against loss by fire or other casualty. Should any Unit Owner violate this provision, any diminution in insurance proceeds resulting from the existence of such other insurance, and/or failure to have the proceeds of such other insurance payable pursuant to the provisions of Article VII (A) of this Declaration shall be chargeable to the Unit Owner who acquired such other insurance, who shall be liable to the Association to the extent of any such diminution and/or loss of proceeds. Any such insurance policy(s) shall contain the waiver of subrogation provisions referred to in Article VII (A) of this Declaration.

(D) Insurance Prior to Formation of Association. Notwithstanding the foregoing, until the Association is formed, the insurance required to be procured by the Association shall instead be procured by the Declarant.

(E) Liability Insurance. The following provisions shall govern in respect of liability insurance:

(1) The Association, as a Common Expense, shall purchase a policy or policies of comprehensive liability insurance, and thereafter maintain the same in full force and effect at all times, insuring the Association, the Board, the Managing Agent, if any, the Unit Owners, and Occupants of Units other than Unit Owners against liability for bodily injury (including death) or property damage occurring upon, in or about, or arising from the Common Elements; such insurance shall afford protection to a limit of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to bodily injury suffered by any one (1) person, and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one (1) such occurrence, and to the limit of not less than One Hundred Thousand Dollars (\$100,000.00) in respect to damage to or destruction of property. Such liability insurance shall contain a cross-liability endorsement

to cover liability of one insured to the other.

(2) Such comprehensive liability policy shall not insure against liability for bodily injury or property damage occurring within an individual Unit. A Unit Owner may carry such additional personal liability insurance as he may desire.

(3) Notwithstanding the foregoing, until the Association is formed, such comprehensive liability insurance to be procured by the Association shall instead be procured by the Declarant.

(F) Additional Insurance. The Association shall also obtain such other insurance as the Board in its discretion may determine.

(G) Damage or Destruction. The following provisions shall govern in the event of any damage or destruction to the Insured Property:

(1) In the event of any damage or destruction of any of the Insured Property, if the proceeds of any policy or policies insuring against such damage or destruction and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction, shall be undertaken by the Association and the insurance proceeds shall be applied in payment therefor; provided, however, that in the event, within ninety (90) days after such damage or destruction, the Unit Owners, if they are entitled to do so pursuant to Article VII(G)(3) of this Declaration shall elect not to repair, restore or reconstruct, then such repair, restoration or reconstruction shall not be undertaken.

(2) In the event the damage or destruction of the Insured Property shall be attributed to any cause or peril which is not insured against, or if insured against, the insurance proceeds shall not be sufficient to pay the cost of repair, restoration or reconstruction, then (unless the Unit Owners shall within ninety (90) days after such damage or destruction, if they are entitled to do so pursuant to Article VII(G)(3) of this Declaration, elect not to repair, restore or reconstruct such Insured Property) such deficiency shall be provided either by means of

Common Assessments or by means of an appropriation from the reserve maintenance fund, or such other fund as may be established for the purpose of providing for the restoration and replacement of the Common Elements or any combination of the foregoing methods, as the Board in its sole discretion may determine.

(3) In the event any damage or destruction renders one hundred percent (100%) or more of the Units uninhabitable, the Unit Owners may, by the vote of those entitled to exercise not less than seventy-five percent (75%) of the voting power, elect not to repair, restore or reconstruct the Insured Property at a meeting which shall be called within sixty (60) days after the occurrence of the casualty. Upon such election, all of the Condominium Property shall be subject to an action for sale as upon partition at the suit of any Unit Owner. In the event of any such sale or a sale of the Condominium Property after such election, by agreement of all Unit Owners, the net proceeds of the sale together with the net proceeds of insurance, if any, on the Common Elements, and any other indemnity arising because of such damage or destruction, shall be considered as one fund and shall be distributed to all Unit Owners in proportion to their respective percentages of interest in the Common Elements. No Unit Owner, however, shall receive any portion of his share of such proceeds until all liens and encumbrances on his Unit have been paid, released or discharged. Upon such payment, the interest of the Unit Owner in the Condominium Property shall terminate, and the Unit Owner shall execute and deliver any and all documents or instruments as may be reasonably requested by the Association to evidence such termination. Moreover, in the event of any such sale of the Condominium Property, the members of the Board are hereby authorized to execute and deliver, on behalf of the Association and all of the Unit Owners, any instruments necessary or required to effect such sale or sales and each Unit Owner shall be obligated to execute and deliver such instruments and to perform such acts as may be necessary or required to effect such sale or sales.

(4) Immediately after any damage or destruction to all or any part of the Condominium Property which is required to be covered by insurance carried by the

Association in accordance with the provisions of Article VII(A) of this Declaration, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair, restoration or reconstruction of the damaged or destroyed property. Such costs may include professional fees of attorneys, public insurance adjusters and others and premiums for bonds. Repair, restore or reconstruct, as used in this subsection (G)(4), means repairing, reconstructing or restoring the Insured Property to substantially the same condition to which it existed prior to such damage or destruction. Each Unit Owner upon acquisition of title to his Unit, shall be deemed to have delegated, to the Declarant, prior to the formation of the Association, and thereafter to the Board, or their respective agents, his right to adjust with insurance companies all losses under the casualty insurance required to be carried by the Association pursuant to Article VII(A) of this Declaration.

(5) Except as otherwise provided in Article VII(G)(3) of this Declaration, if all or any part of the Insured Property shall be damaged or destroyed, the Association shall cause the same to be restored substantially in accordance with the Drawings.

(6) With respect to all policies of insurance obtained by the Association and by the Unit Owners, the Association and each Unit Owner do hereby waive (to the extent permitted by such policy, but only to the extent of the proceeds payable in connection therewith) all rights of recovery and causes of action against each other, the Unit Owners, the members of the family of each Unit Owner and his tenants and any other Occupants of the Condominium Property, the Association, the Board, and the Managing Agent, if any, for any loss which may result from any of the perils insured against under any such policies; and each such policy shall provide for a release by the insurance company issuing such policy of such of its rights of subrogation thereunder as shall be co-extensive with the foregoing waivers.

(7) The proceeds of insurance collected on account of a casualty, and the Assessments on account

of such casualty and/or appropriations from any funds set aside for such purpose, shall constitute a construction fund which shall be disbursed by the Association in payment of the cost of repair, restoration or reconstruction, from time to time as the work progresses. The Association shall make such disbursements upon its receipt of certificates from the architect or general contractor selected by it to be in charge of the repair, restoration or reconstruction. Said certificates shall: (i) state that the sum requested is justly due to the contractors, subcontractors, materialmen, architects or other persons who rendered services or furnished materials in connection with the work; (ii) give a brief description of the services and materials for which such progress payment is requested; (iii) state that the sum requested does not exceed the value of the services and materials described in the certificate; (iv) state that except for the amount stated in such certificate to be due as aforesaid and for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a mechanics', materialmen's or similar lien for such work upon the Common Elements or any Unit; and (v) state that the cost of the work remaining to be done subsequent to the date of said certificate, does not exceed the amount of the construction fund remaining with the Association after the payment of the sums so requested. If there is a balance in the construction fund after payment of all costs of repair, reconstruction or restoration, such balance shall be distributed jointly to the Unit Owners and their respective mortgagees who are the beneficial owners of the funds.

(H) Negligence of Unit Owner. Each Unit Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, to the extent that such expense is not covered by the proceeds of insurance carried by the Association. A Unit Owner shall pay the amount of any increase in insurance premiums occasioned by his use, misuse, occupancy or abandonment of his Unit or its appurtenances or of the Common Elements or Limited Common Elements.

ARTICLE VIII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The Units, Common Elements and Limited Common Elements shall be occupied and used as follows:

(A) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be used as a residence by the Unit Owner and his family, or by lessees or guests of the Unit Owner and his family, except for such limited professional or commercial use as the Declarant or the Board of Directors, upon application of an Owner or Purchaser, from time to time may authorize as not being inconsistent with the residential character of the Condominium Property and not being in violation of the zoning ordinances of the Village of Fairport Harbor.

(B) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board except as hereinafter expressly provided. Each owner shall be obligated to maintain and keep in good order and repair his own Unit.

(C) Nothing shall be done or kept in the Common Elements which will increase the rate of insurance on the Common Elements without the prior written consent of the Board. No owner shall permit anything to be done or kept in the Common Elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Limited Common Elements or in the Common Elements.

(D) Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of a building, except for seasonal decorations, and no awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, or exposed on, at or from any window, without the prior consent of the Board, except for temporary "For Sale" or "For Rent" signs previously approved by the Board of Directors. Furthermore, no curtains, drapes, shades or blinds shall be displayed in or from any window or glass door of a building without the prior written consent of the Association unless the part thereof within view from the exterior of a building is white, near white or beige in color. Furthermore, no window air-conditioning unit nor window fans or ventilators

shall be installed or placed in any window.

(E) Each Owner shall be obligated to maintain and keep in good order and repair the Limited Common Elements appurtenant to his Unit, and shall be permitted to plant flowers, shrubs, and/or ground-cover plants within the entire Limited Common Elements, and shall be permitted to install and maintain the following landscaping fixtures and mechanisms without the approval of the Board of Directors: sun dials, grounds lighting including, but not limited to, small, low voltage lighting and landscaping lighting. Furthermore, no Unit Owner shall be permitted to install any post lamps, sprinkling systems or flag poles within the Limited Common Elements.

(F) Owners shall be permitted to plant, install, locate or maintain the following without the prior written consent of the Board of Directors, provided, however, all such items are planted, installed and located within the rear Limited Common Elements of each Unit: small vegetable gardens, barbeque grills, lawn furniture, bird houses or feeders, and wooden fences; provided, however, any wooden fence installed must be in conformity with the Board-approved Fence Rules and Regulations.

(G) Except as permitted with the prior written consent of the Board of Directors, no home additions, patio enclosures, screened-in porches, storage building or shed, gazebo or swimming pool (either above-ground or in-ground) shall be constructed within the Limited Common Elements; provided, however, that any such approved construction shall be situated within the Limited Common Elements located to the rear of a Unit.

(H) No animals, rabbits, livestock, fowl, reptiles, wolves, snakes, bears, ferrets, monkeys or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, or in the Limited Common Elements, except that up to two (2) dogs, cats, or other household pets weighing no more than forty pounds (40 lbs.) each may be kept in Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purpose; and the breed of any such dog shall not be any breed with "vicious tendencies" as listed at any time by the American Family Insurance Company which currently includes the following: American Pit Bull Terrier (also known as American Staffordshire Terrier) Akita, Chow, Rottweiler, Wolf Hybrid (wolf mixed with any breed). Provided further that any such permitted pet causing or creating a nuisance or unreasonable disturbance shall be

permanently removed from the Property upon three (3) days notice from the Board, and provided further that any dog shall be on a leash at all times when such dog is outside a Unit.

(I) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements or Limited Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other owners or occupants.

(J) Nothing shall be done in any Unit or in, on or to the common elements which will impair the structural integrity of the building or which would structurally change the building except as is otherwise provided herein.

(K) No clothes, sheets, blankets and/or other articles shall be hung out or exposed on any part of the Common Elements or Limited Common Elements. The Common Elements and the Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(L) There shall be no baby carriages or playpens, bicycles, wagons, toys, or vehicles stored on any part of the Common Elements; and the balcony and patio areas, if any, must be used for their intended purposes. Furthermore, swing sets, sliding boards and other playground equipment are not permitted within the Common Elements or the Limited Common Elements.

(M) No trucks (except two-axel trucks with no more than four tires), buses, boats, camper trailers, house trailers or other trailers shall be stored, kept or maintained in any driveway, roadway or any other Common Element, Limited Common Element (excepting authorized vehicles of the Declarant, or the Board and their respective agents and contractors for construction or maintenance purposes, or other purposes that benefit the Condominium Property).

(N) Except as provided in Section (A) of this Article, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property, nor shall any "For Sale" or "For Rent" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein, except as otherwise set forth in this Declaration. Nothing in this Declaration or the By-Laws shall be construed to prohibit, and the right is hereby

reserved by the Declarant and granted to the Association, to offer garbage service, Viacom or similar cable T.V. service and coin-operated washers and dryers or vending machines, or other "commercial" enterprises in the Common Elements, provided that such operation shall be primarily intended for the convenience and welfare of the Owners of the Condominium Property notwithstanding that the enterprise(s) may produce a profit. The right is reserved by the Declarant, or its agent, to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. The right is reserved by the Declarant, or its agent, to use any unsold Unit or Units for office, sales or display purposes.

(O) Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Board.

ARTICLE IX

REHABILITATION OF EXISTING BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS

The Association may, by the affirmative vote of Unit Owners entitled to exercise not less than seventy-five percent (75%) of the voting power, determine that the Condominium Property is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Board shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a Common Expense. In such event any Unit Owner who does not vote for such renewal and rehabilitation may elect, in a writing served by him on the President of the Association within thirty (30) days after receiving notice of such vote, to receive the fair market value of his Ownership Interest, less (a) the amount of any liens and encumbrances on this Unit as of the date such vote is taken and (b) the amount of any liens and encumbrances arising out of actions of said Unit Owner filed during the period from the date of such vote to the date of conveyance, in return for a conveyance of his Ownership Interest, subject to such liens and encumbrances, to the Board of Directors and their successors in office, or such nominee as they shall designate, for the benefit of all the owners. In the event of such election by a Unit Owner to receive the fair market value of his Ownership Interest, such conveyance and payment of the consideration therefor, which shall be a Common Expense to the Unit Owners who have elected to renew and

rehabilitate, shall be made within ten (10) days thereafter, and, if such Unit Owner and majority of the Board cannot agree upon the fair market value of such Unit, such determination shall be made by the majority vote of three appraisers, one of whom shall be appointed by the Board, one of whom shall be appointed by such Unit Owner, and the third of whom shall be appointed by the first two appraisers.

ARTICLE X

REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

(A) Abatement and Enjoyment. If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any restriction or condition or Rule adopted by the Board, or the breach of any covenant or provision contained in this Declaration or the Bylaws, the Association shall have the right, in addition to the rights hereinafter set forth in this Article X and those provided by law:

(1) to enter upon the portion of the Condominium Property which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Declaration or of the Bylaws or the Rules, and the Declarant, or its successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or

(2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

(B) Involuntary Sale. If any owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the Rules adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall occur repeatedly during any thirty (30) day period after written notice or request to cure such violation from the Board, then the Board shall have the right, upon the giving of at least ten (10) days prior written notice, to terminate the rights of such Unit Owner to continue as an owner and continue to occupy, use or control his Unit and thereupon an action in equity may be filed by the members of the

Board against the Unit Owner for a decree of mandatory injunction against the Owner or occupant or, in the alternative, a decree declaring the termination of the right of such Unit Owner to occupy, use or control the Unit owned by him, and ordering that all the right, title and interest of the Owner in the Property shall be sold at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain such Unit Owner from re-acquiring his interest at such judicial sale. The proceeds of any such judicial sale shall be paid to discharge court costs, mortgages and any other liens and encumbrances of record, in the order of their priority, and all such items shall be taxed against such Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments owing to the Association or any liens required to be discharged shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit ownership and to immediate possession of the Unit sold and may apply to the court for a writ for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE XI

ADDITIONS TO CONDOMINIUM PROPERTY

Declarant contemplates constructing certain residential structures and other improvements on the Additional Lands and submitting the Additional Lands together with the buildings and other improvements to be constructed thereon (being hereinbefore defined as the "Additional Lands Buildings") and all easements, rights and appurtenances belonging thereto, and all articles of personal property existing for the common use of the Unit Owners to the provisions of this Declaration and the Act, so the same will become in all respects part of the Condominium Property. Declarant's right to submit the Additional Lands and the Additional Lands Buildings to be constructed thereon to the provisions of this Declaration and the Act shall be in accordance with the following provisions:

(A) Declarant hereby reserves the right and option, but not the obligation, to submit the Additional Lands, or any portion or portions thereof, in one (1) or more submissions, together with the Additional Lands Buildings which may be constructed thereon, all easements, rights and appurtenances

belonging thereto, and all articles of personal property existing for the common use of the Unit Owners to the provisions of this Declaration and the Act.

(B) Except as otherwise provided in this Article XI and the Act, there are no limitations on Declarant's right and option to expand the Condominium Property to include the Additional Lands and there is no requirement for the consent of Unit Owners to such expansion.

(C) Declarant has a period of seven (7) years from the date the Declaration is filed for record to expand the Condominium Property to include the Additional Lands. Other than the expiration of the time limit set forth above, there are no circumstances that will terminate the Declarant's right to expand the Condominium Property to include the Additional Lands.

(D) A metes and bounds legal description of the Additional Lands is set forth in Exhibit "2" hereof.

(E) The Declarant is not obligated to expand the Condominium Property to include all or any portion of the Additional Lands beyond the initial forty-five (45) Units.

(F) The Declarant has the right to expand the Condominium Property to include the Additional Lands, or any portion thereof, in one (1) or more submissions. There are no limitations fixing the boundaries of the portions of the Additional Lands that the Declarant may submit to the Condominium Property and there are no limitations on the order in which portions of the Additional Lands may be submitted to the Condominium Property.

(G) Except for private deed restrictions and except for the requirements of the governmental authorities having jurisdiction over the same, including the zoning requirements of the Village of Fairport Harbor, there are no limitations as to the location of any improvements that, may be made on any portion of the Additional Lands.

(H) The Declarant anticipates constructing one hundred fifty-six (156) Units on the Property, for a total number of eighty (80) Units on land currently owned by Declarant and the possible addition of seventy-six (76) Units on the Parcel 5 Additional Lands, at the maximum rate allowable under the zoning code of the Village of Fairport Harbor.

(I) The Units to be constructed on the Additional Lands are restricted exclusively to residential use.

(J) The Declarant is not obligated to construct improvements on the Additional Lands. Except for the provisions hereof, except for private deed restrictions, if any, and except for the requirements of the governmental authorities having jurisdiction over the same, including the zoning and building requirements of the Village of Fairport Harbor, there are no restrictions or limitations upon the improvements that may be made upon the Additional Lands.

(K) The Units to be constructed on the Additional Lands shall be reasonably similar and of equal quality to the Units described in Exhibit 3. Except for the provisions hereof, except for private deed restrictions, if any, and except for the requirements of the governmental authorities having jurisdiction over the types of Units to be constructed on the Additional Lands, including the zoning and building requirements of the Village of Fairport Harbor, there are no limitations on the types of Units that may be constructed on the Additional Lands.

(L) The Declarant is not reserving any right to either create Limited Common Elements within any portion of the Additional Lands (except for the Limited Common Elements referred to in Article II(B)(2) of this Declaration) or to designate Common Elements within the Additional Lands or any portion thereof that may subsequently be assigned as Limited Common Elements.

(M) The Declarant reserves the right to assign its rights and option to expand the Condominium Property to include the Additional Lands, or any portion thereof, to any successor of the Declarant who stands in the same relationship to the Condominium Development as the Declarant.

(N) At the time or times Declarant expands the Condominium Property to include the Additional Lands, or any portion or portions thereof, the Declarant shall submit with the amendment to the Declaration expanding the Condominium Property such drawings of the Additional Lands being submitted as are required by Section 5311.07 of the Act to show graphically, insofar as is possible, all the particulars of the land, buildings and other improvements, including, but not limited to, the layout, location and dimensions of the Common Elements and Limited Common Elements, for the Additional Lands, or portion thereof, being submitted.

(O) The Declarant reserves the right to amend this Declaration in the manner provided in Article XII hereof, in such respects as the Declarant may deem advisable in order to effectuate the provisions of this Article XI including, without limiting the generality of the foregoing, the right to amend this Declaration to do the following:

(1) To include the Additional Lands, or any portion or portions thereof, and the improvements constructed thereon as part of the Condominium Property;

(2) To include descriptions of the Additional Lands and the Additional Lands Buildings in this Declaration and to add drawings of the Additional Lands and Additional Lands Buildings to Exhibit "A" hereto; and

(3) To provide that the owners of Units in the Additional Lands Buildings shall have an interest in the Common Elements of the Condominium Property and to amend Article II(B)(4) hereof so as to establish the percentage of interest in the Common Elements which the owners of all Units within the Buildings on the Condominium Property will have at the time of such amendment, which percentage shall be, with respect to each Unit, in the proportion that the par value of each Unit on the date said amendment is filed for record bears to the then aggregate par value of all the Units on the Condominium Property, which determination shall be made by Declarant and shall be conclusive and binding upon all Unit Owners.

(P) If the Declarant does not submit all or a portion of the Additional Lands to the Condominium Development, the restrictions shall not apply to any portion of the Additional Lands that is not so submitted.

ARTICLE XII

AMENDMENT OF DECLARATION

(A) In General. Except where otherwise provided in this Article XII or in any of the other Articles of this Declaration or by the Act, the provisions of this Declaration may be amended by an instrument in writing setting forth

specifically the item or items to be amended and/or any new matter to be added, which instrument shall have been duly authorized by the affirmative vote of those Unit Owners having at least seventy-five percent (75%) of the voting power of the Association. Said instrument shall be signed and acknowledged by any two (2) officers of the Association and must contain the certification by the President or Secretary of the Association that a copy of the amendment has been mailed or hand delivered to all Unit Owners and all first mortgagees of Units and that Unit Owners having at least seventy-five percent (75%) of the voting power of the Association affirmatively approved the amendment. In the case of an amendment for the purpose of adding to the Condominium Property pursuant to Article XII hereof, this Declaration may be amended by an instrument in writing signed by at least one (1) officer of Declarant. An amendment hereunder must be executed with the same formalities as this instrument and must refer to the volume and page in which this instrument and amendments hereto are recorded. Upon written request, the Declarant shall furnish a copy of an amendment for the purpose of adding to the Condominium Property pursuant to Article XII hereof to a Unit Owner and a first mortgagee of a Unit Owner. No amendment by the Board or Unit Owner shall have any effect, however, upon the Declarant, the rights of Declarant under this Declaration and upon the rights of bona fide mortgagees until the written consent of the Declarant and/or such mortgagees to such amendment has been secured. Such consents shall be retained by the Secretary of the Association or the Declarant, as the case may be, and the Secretary's certification in the instrument of amendment as to the consent or non-consent of Declarant and the names of the consenting and non-consenting mortgagees of the various Units may be relied upon by all persons for all purposes. An amendment hereunder shall be effective upon recordation of the amendment in the Office of the County Recorder of Lake County, Ohio; provided, however, that no provision in the Declaration may be amended so as to conflict with the obligatory provisions of the Act.

(B) Special Amendment. Prior to the formation of the Association, Declarant shall have the right and power, and after the formation of the Association the Board shall have the unilateral right and power, to record a special amendment ("Special Amendment") to this Declaration at any time, and from time to time, which amends this Declaration (1) to comply with requirements of institutional mortgagees, guarantors and insurers of first mortgage loans, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of

Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasipublic or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (2) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Condominium Ownership Interests, (3) to bring this Declaration into compliance with the Act or (4) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment hereto, or (5) to comply with the underwriting requirements of insurance companies providing casualty insurance, liability insurance and other insurance coverages for the Condominium Development. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant and/or to the Board to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the power to the Declarant and/or to the Board to vote in favor of, make and record Special Amendments.

ARTICLE XIII

NO PARTITION

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Elements or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE XIV

CONDEMNATION

In the event that the entire Condominium Property is taken by eminent domain or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium shall terminate. The condemnation award shall be apportioned among the Unit Owners in accordance with their respective

percentage interests in the Common Elements. The Association shall as soon as practicable determine the share of the condemnation award to which each Unit Owner is entitled and each such share shall be paid into separate accounts and disbursed as soon as practicable to the Unit Owners entitled to same. No Unit Owner, however, shall receive any portion of his share of such award until all liens and encumbrances on his Unit have been paid, released or discharged.

In the event that less than the entire Condominium Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Development hereunder shall not terminate. Each Unit Owner shall be entitled to a share of the condemnation award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Unit Owners, as follows: (A) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Unit Owners in proportion to their respective percentages of interest in the Common Elements; (B) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned; (C) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements a Unit Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (D) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Unit Owners and their respective first mortgagees.

In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, assessment ratio and other rights determined in accordance with this Declaration according to the same principles employed in this Declaration and its inception and shall submit such reallocation to the Owners of the remaining Units for amendment of this Declaration and the amended Declaration shall be filed as required by law.

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article VII hereof (Insurance and Reconstruction).

ARTICLE XV

RIGHTS OF FIRST MORTGAGEES

The following provisions inure to the benefit of each mortgagee holding a first mortgage encumbering a Unit:

(A) Default By Unit Owner. The holder of any first mortgage encumbering a Unit in respect of which the Unit Owner shall be in default for a period of sixty (60) days in the performance of his obligations under this Declaration, the Bylaws and/or the Rules shall be provided with notice of said default by the Association. Within sixty (60) days after receiving said notice from the Association, the holder of the mortgage encumbering said Unit may (but shall not be obligated to do so) cure said default. If, however, said default is not curable within said sixty (60) day period by reason of delay(s) beyond the reasonable control of said mortgagee, then, providing said mortgagee has commenced to cure said default within said sixty (60) day period and has continued thereafter with due diligence to complete the curing of said default, the time within which said mortgagee shall be permitted to cure said default shall be extended for a period co-extensive with said delay(s).

(B) Statement of Default. A first mortgagee, upon written request to the Board, shall be given a written statement by the Board of the number of Unit Owners who are more than one (1) month delinquent in the payment of monthly Assessments at the time said written request is received by the Board.

(C) Compliance With Mortgage Insurance Regulations. In general, and in order to facilitate the marketability of the Units, the Board shall comply, to the best of its ability, with requests by first mortgagees for information required by regulations of the Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association and Mortgage Guaranty Insurance Corporation (or other private mortgage insurance company), or required by any other secondary mortgage market lender, or by any governmental insurer or guarantor of the first mortgage of any Unit.

(D) Notices of Meetings to Mortgagees. Upon written request to the Association, each mortgagee shall have the right to receive notices of all meetings of the Association and to designate a representative to attend any such meeting.

(E) Special Federal Home Loan Mortgage Corporation Provisions.

(1) Unless two-thirds (2/3) of the first mortgagees or Unit Owners give their consent, the Association shall not: (a) by act or omission seek to abandon, become a partition, subdivide, encumber, sell or transfer any portion of the Condominium Property (the granting of easements for public utilities or for public purposes consistent with the intended use of the Condominium Property shall not be deemed a transfer); (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit Owner; (c) by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance or maintenance of a Unit and of the Common Elements; (d) fail to maintain fire and extended coverage insurance as required by this Declaration; or (e) use hazard insurance proceeds for any Common Element losses for other than repair, replacement or reconstruction of the Condominium Property.

(2) The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from mortgagees or Unit Owners or a larger percentage vote as otherwise required for any of the actions contained in this Article.

(3) First mortgagees may, jointly or singularly, pay taxes or other charges which are in default or which may or have become a charge against the Common Elements and may pay overdue premiums of casualty insurance policies or secure new casualty insurance coverage upon the lapse of a policy, for the Common Elements and first mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

ARTICLE XVI

SALE, LEASING OR OTHER ALIENATION OF UNITS

(A) Unit Owner's Right of Transfer. The Association shall have no right of first refusal with respect to the purchase or lease of a Unit, and a Unit Owner shall be able to transfer his Unit freely by sale, gift, devise, lease or otherwise without restriction except as provided in Article XVII(B).

(B) Unit Owner's Right to Lease Unit. Any Unit Owner shall have the right to lease not less than all of his Unit upon such terms and conditions as the Unit Owner may deem advisable, except that no Unit shall be leased or sub-leased for transient or hotel purposes. Any lease or sublease of a Unit for a period of less than six (6) months shall be deemed to be a lease or sublease for transient or hotel purposes. Any lease or sublease of a Unit shall be in writing and shall provide: (1) that the lease or sublease shall be subject to the terms of this Declaration, the Bylaws and Rules and that any failure of a lessee to comply with the terms of this Declaration, the Bylaws and Rules shall be in default under the lease or sublease; (2) that the Association shall have the right to require the Unit Owner to deposit with the Association such amount as the Association shall consider appropriate as security to provide funds for repairs and to assure compliance with this Declaration, the Bylaws and Rules. The limitations with respect to the leasing of Units shall not apply to the Declarant or a first mortgagee of a Unit.

ARTICLE XVII

REMOVAL FROM CONDOMINIUM OWNERSHIP

The Unit Owners by unanimous vote may elect to remove the Condominium Property from the provisions of the Act. In the event of such election, all liens and encumbrances, except taxes and assessments not then due and payable, upon all or any part of the Condominium Property, shall be paid, released, or discharged, and a certificate setting forth that such election was made shall be filed with the Recorder of Lake County, Ohio, and by him recorded. Such certificate shall certify therein under oath that all liens and encumbrances, except taxes and assessments not then due and payable, upon all or part of the Common Elements have been paid, released or discharged; and,

shall also be signed by the Unit Owners, each of whom shall certify therein under oath that all such liens and encumbrances on his Unit or Units have been paid, released or discharged.

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

(A) Interest on Deposits. Any deposit or down payment made in connection with the sale of a Condominium Ownership Interest by the Declarant shall be held in trust or escrow delivered at settlement or returned to or otherwise credited to the Purchaser of such Unit or forfeited to the Declarant unless the Purchaser of such Unit agrees in the purchase and sale contract that the Declarant may withdraw such deposit or down payment and use the funds for the actual construction and development of Purchaser's Unit. If a deposit or down payment of Two Thousand Dollars (\$2,000.00) or more is held for more than ninety (90) days, the amount that exceeds Two Thousand Dollars (\$2,000.00) shall bear interest at a rate equal to the prevailing rate payable by federally insured financial institutions in Lake County on daily interest accounts, and shall be credited to the Purchaser of such Unit at settlement or upon return or other credit made to the Purchaser, or added to any forfeiture to the Declarant. Deposits and down payments held in trust or escrow pursuant to this Article shall not be subject to attachment by creditors of the Declarant or a Purchaser of a Condominium Ownership Interest.

(B) Non-Retention of Property Interest in Common Elements by Declarant. Notwithstanding any of the other provisions contained herein, the Declarant shall not retain a property interest in any of the Common Elements after control of the Condominium Development is assumed by the Association except in the Declarant's capacity as a Unit Owner of unsold Condominium Ownership Interests and except as permitted by Section 5311.25(B) of the Act.

(C) Warranties. Solely and only to the extent such warranties are or may be required by the provisions of Section 5311.25(E) of the Act, and solely in connection with the sale of a Condominium Ownership Interest(s) by Declarant:

(1) The Declarant shall furnish a two (2) year warranty covering the full cost of labor and materials for any repair or replacement of roof and structural components, and mechanical, electrical, plumbing and

common service elements serving the Condominium Development as a whole occasioned or necessitated by a defect in material or workmanship and shall furnish a one (1) year warranty covering the full cost of labor and materials for any repair or replacement of structural, mechanical and other elements pertaining to each Unit occasioned or necessitated by a defect in material or workmanship.

(2) The two (2) year warranty shall commence: (a) for property submitted by the original Declaration on the date the deed or other evidence of ownership is filed for record following the sale of the first Condominium Ownership Interest in the Condominium Development to a Purchaser in good faith for value of a Unit; and (b) for Additional Lands submitted by amendment to the Declaration pursuant to Article XII hereof, on the date the deed or other evidence of ownership is filed for record following the sale of the first Condominium Ownership Interest in such phase for the Additional Lands to a good faith purchaser for value of a Unit.

(3) The one (1) year warranty shall commence on the date the deed or other evidence of ownership is filed for record following the first sale of a Condominium Ownership Interest to a Purchaser in good faith for value.

(4) With respect to appliances installed and furnished as a part of a Unit by the Declarant, the Declarant shall assign to each Purchaser of a Unit the express and implied warranties of the manufacturers of such appliances in satisfaction of the Declarant's warranty of such appliances, except the Declarant's warranty of each Unit hereunder includes the warranty that the appliances are properly installed.

(5) All warranties made to the Declarant that exceed the time periods specified above with respect to any part of the Units or Common Elements shall be assigned to the Purchasers of Units. Furthermore, the Declarant reserves the right, but not the obligation, to grant warranties in excess of the warranties set forth above.

(6) None of the foregoing warranties shall cover

repairs or replacements necessitated or occasioned by ordinary wear and tear or by the negligent or wanton acts of any Unit Owner or any tenant, guest or invitee of a Unit Owner or occasioned or necessitated for any reason whatsoever except by defects in materials and workmanship.

(D) Declarant's Obligation with Respect to Unsold Units. The Declarant will assume the rights and obligations of a Unit Owner in its capacity as owner of unsold Units in the Condominium, including, without limitation, the obligation to pay Common Expenses attributable to such Units, from the date the Declaration is filed for record.

(E) Right of Declarant to act as Board of Directors. Declarant reserves unto itself the right to manage, control and exercise all of the rights of the Association in accordance with and to the extent permitted by the provisions of Sections 5311.08 and 5311.25 of the Act.

(F) Record of Mortgagees of Units. Any Unit Owner who mortgages his Ownership Interest shall notify the Association in such manner as the Association may direct, of the name and address of his mortgagee and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgage. The Association shall maintain such information in a record entitled "Mortgagees of Units".

(G) Rights of Mortgagees of Units to Receive Notices. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Unit ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the owner or owners whose Unit ownership is subject to such mortgage or trust deed.

(H) Notices to Association. Notices required to be given to the Board or the Association may be delivered to any member of the Board or officer of the Association either personally or by mail to such member or officer at his/her Unit.

(I) Notices. All notices required or permitted hereunder, and under the Bylaws and the Act, to the Declarant, the Association, the Board of Directors and its delegates shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the Board of Directors or its delegates at the address of the Condominium Property or to such other address as the Board may designate from time to time by

notice in writing to all Unit Owners. All notices to the Declarant shall be sent by registered or certified mail, return receipt requested, to: Ryan P. Sommers, Nautical Ridge Development LLC, 10585 Somerset Drive, Chardon, Ohio 44024, with a copy of same to James V. Aveni, Ranallo & Aveni LLC, 6685 Beta Drive, Cleveland, Ohio 44143, or to such other address as the Declarant or its counsel may designate from time to time by notice in writing to all Unit Owners. All notices to any Unit Owner shall be sent by registered or certified mail to such Unit Owner's Unit address or to such other address as may be designated by him from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given and therefore effective not later than forty-eight (48) hours after the date that such notice is deposited in the U.S. Mail, except notices of change of address which shall be deemed to have been given when received, and except as otherwise provided herein. Any notice required or permitted to be given to any Occupant of a Unit other than a Unit Owner shall effectively be given if hand delivered to such Occupant or placed in his mail box or placed under the door to such Occupant's Unit.

(J) Title to Units Subject to Declaration. Each grantee of the Declarant, by the acceptance of a deed of conveyance, accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration and in the documents referred to in this Declaration, and all rights, benefits and privileges of every nature hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in the Condominium Property, and shall inure to the benefit of such owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

(K) Non-Liability of Declarant. Except as otherwise provided in the Condominium Property Act, neither Declarant nor its representatives, successors or assigns shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to it by or pursuant to this Declaration or the Bylaws in Declarant's (or its representative's) capacity as owner, manager or seller of the Condominium Property whether or not such claim (1) shall be asserted by any Unit Owner, an Occupant of a Unit, the Association, or by any person or entity claiming through any of

them; or by any person or entity claiming through any of them; or (2) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (3) shall arise ex contractu or (except in the case of gross negligence) ex delictu. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Condominium Property or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any Unit Owner, an Occupant of a Unit, the Association, and their respective agents, employees, guests and invitees, or by reason of any neighboring property or personal property located on or about the Condominium Property, or by reason of the failure to function or disrepair of any utility services (heat, air-conditioning, electricity, gas, telephone, water or sewage).

(L) Non-Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration 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.

(M) Saving Clause. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

(N) Rule Against Perpetuities. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of (1) the rule against perpetuities or some analogous statutory provision, (2) the rule restricting restraints on alienation, or (3) any other statutory or common-law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of George W. Bush, President of the United States of America, and Dick Cheney, Vice President of the United States of America.

(O) Headings. The heading of each Article and of each such paragraph in this Declaration and in the Bylaws is inserted only as a matter of convenience and for reference and in no way defines, limits or describes the scope or intent of this Declaration or the Bylaws nor in any way affects this Declaration or the Bylaws.

(P) Gender. The use of the masculine gender herein or in the Bylaws shall be deemed to include the feminine and the neuter genders, as the case may be, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

(Q) Liberal Interpretation. The provisions of this Declaration shall be liberally interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a first-class Condominium Development.

IN WITNESS WHEREOF, the said Nautical Ridge Development LLC, as Declarant, as aforesaid, has caused its name to be signed to these presents as of this 20 day of April, 2006.

Witnessed by:

[Signature]
Laura J. Lechene

By: [Signature]
MEMBER Ryan P. Sommers,
Member

STATE OF OHIO)
) ss:
COUNTY OF LAKE)

Before me, a Notary Public in and for said County and State aforesaid, personally appeared Nautical Ridge Development, LLC, by Ryan P. Sommerits Member, and who acknowledged that he did sign the foregoing instrument and that the same was his free act and deed individually and as such member and the free act and deed of said company.

GIVEN, under my hand and Notarial Seal this 20 day of April, 2006.


NOTARY PUBLIC

This instrument prepared by:
Ranallo & Aveni LLC
6685 Beta Drive
Cleveland, Ohio 44143
(440) 684-1600

SHARON J. COTMAN
Notary Public-State of Ohio
My Commission Expires 11-27-2006
Recorded in Lake County

EXHIBIT A

(Drawings)

"EXHIBIT A"

TO DECLARATION OF CONDOMINIUM OWNERSHIP NAUTICAL RIDGE CONDOMINIUMS

PHASE I

2.6926 ACRES

Situated in the Village of Fairport Harbor, County of Lake, State of Ohio and known as being a part of Original Lots 7 & 8, Tract 4, Township 11 North, Range VIII of the Connecticut Western Reserve.



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Phase 546, P. 1102, 1103
Phase 547, P. 1104, 1105
Phase 548, P. 1106, 1107
Phase 549, P. 1108, 1109
Phase 550, P. 1110, 1111
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Phase 553, P. 1116, 1117
Phase 554, P. 1118, 1119
Phase 555, P. 1120, 1121
Phase 556, P. 1122, 1123
Phase 557, P. 1124, 1125
Phase 558, P. 1126, 1127
Phase 559, P. 1128, 1129
Phase 560, P. 1130, 1131
Phase 561, P. 1132, 1133
Phase 562, P. 1134, 1135
Phase 563, P. 1136, 1137
Phase 564, P. 1138, 1139
Phase 565, P. 1140, 1141
Phase 566, P. 1142, 1143
Phase 567, P. 1144, 1145
Phase 568, P. 1146, 1147
Phase 569, P. 1148, 1149
Phase 570, P. 1150, 1151
Phase 571, P. 1152, 1153
Phase 572, P. 1154, 1155
Phase 573, P. 1156, 1157
Phase 574, P. 1158, 1159
Phase 575, P. 1160, 1161
Phase 576, P. 1162, 1163
Phase 577, P. 1164, 1165
Phase 578, P. 1166, 1167
Phase 579, P. 1168, 1169
Phase 580, P. 1170, 1171
Phase 581, P. 1172, 1173
Phase 582, P. 1174, 1175
Phase 583, P. 1176, 1177
Phase 584, P. 1178, 1179
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Phase 591, P. 1192, 1193
Phase 592, P. 1194, 1195
Phase 593, P. 1196, 1197
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Phase 626, P. 1262, 1263
Phase 627, P. 1264, 1265
Phase 628, P. 1266, 1267
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EXHIBIT 1
(LEGAL DESCRIPTION OF PHASE 1 PARCEL)

Survey Description
Phase 1
Nautical Ridge Condominiums
April 6, 2006

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lots 7 and 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Unit's 8, 9, 19, 20, 45, 46 & 47

Beginning at a 5/8 inch rebar found capped "Coffman" at a northwesterly corner of parcel 14A025B000100 owned by Eco. Inc. by deed recorded in document 2001R057839 of the Lake County Records of Deeds, said point of beginning being located South 41°30'36" East along an easterly right of way of High Street, 80' wide, from a 5/8 inch rebar found, capped "Babcock & Jones," at a southeasterly corner of Ridge Condominium Association Phase 1 as recorded in volume 28, page 7 of Lake County Record of Plats;

- | | |
|--------------|--|
| Course I. | Thence North 48°23'25" East along a northerly line of said parcel 14A025B000100 a distance of 156.22 feet; |
| Course II. | Thence North 41°36'35" West a distance of 128.00 feet; |
| Course III. | Thence along the arc of a curve deflecting to the right having a length of 30.72 feet, a radius of 20.00 feet, a delta of 88°00'44", a tangent of 19.32 feet, and a chord which bears N 02° 23'47" E a distance of 27.79 feet; |
| Course IV. | Thence North 65°05'22" East a distance of 20.84 feet; |
| Course V. | Thence North 48°23'25" East a distance of 41.47 feet; |
| Course VI. | Thence North 31°41'28" East a distance of 20.88 feet; |
| Course VII. | Thence North 48°23'25" East a distance of 67.27 feet; |
| Course VIII. | Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears S 86°36'35" E a distance of 28.28 feet; |
| Course IX. | Thence South 41°36'35" East a distance of 128.00 feet; |
| Course X. | Thence North 48°23'25" East a distance of 32.00 feet; |
| Course XI. | Thence North 41°36'35" West a distance of 127.00 feet; |
| Course XII. | Thence along the arc of a curve deflecting to the right having a length of 30.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 03° 23'25" E a distance of 28.28 feet; |
| Course XIII. | Thence North 48°23'25" East a distance of 6.00 feet; |
| Course XIV. | Thence along the arc of a curve deflecting to the left having a length of 106.09 feet, a radius of 216.00 feet, a delta of 28°08'26", a tangent of 54.14 feet, and a chord which bears N 34° 19'12" E a distance of 105.02 feet; |

- Course XV. Thence along the arc of a curve deflecting to the right having a length of 29.39 feet, a radius of 20.00 feet, a delta of $84^{\circ}11'20''$, a tangent of 18.07 feet, and a chord which bears $N 62^{\circ}20'39'' E$ a distance of 26.81 feet;
- Course XVI. Thence North $11^{\circ}03'54''$ East a distance of 32.08 feet;
- Course XVII. Thence along the arc of a curve deflecting to the right having a length of 29.16 feet, a radius of 20.00 feet, a delta of $83^{\circ}32'17''$, a tangent of 17.86 feet, and a chord which bears $N 39^{\circ}04'41'' W$ a distance of 26.65 feet;
- Course XVIII. Thence along the arc of a curve deflecting to the left having a length of 31.53 feet, a radius of 216.00 feet, a delta of $8^{\circ}21'51''$, a tangent of 15.79 feet, and a chord which bears $N 01^{\circ}29'28'' W$ a distance of 31.50 feet;
- Course XIX. Thence North $05^{\circ}40'24''$ West a distance of 123.14 feet;
- Course XX. Thence along the arc of a curve deflecting to the left having a length of 79.42 feet, a radius of 116.00 feet, a delta of $39^{\circ}13'35''$, a tangent of 41.34 feet, and a chord which bears $N 25^{\circ}17'11'' W$ a distance of 77.88 feet;
- Course XXI. Thence North $44^{\circ}53'59''$ West a distance of 29.08 feet;
- Course XXII. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of $90^{\circ}00'00''$, a tangent of 20.00 feet, and a chord which bears $N 00^{\circ}06'01'' E$ a distance of 28.28 feet;
- Course XXIII. Thence North $46^{\circ}41'23''$ West a distance of 32.02 feet;
- Course XXIV. Thence South $45^{\circ}06'01''$ West a distance of 212.73 feet;
- Course XXV. Thence along the arc of a curve deflecting to the left having a length of 111.73 feet, a radius of 416.00 feet, a delta of $15^{\circ}23'19''$, a tangent of 56.20 feet, and a chord which bears $S 37^{\circ}24'22'' W$ a distance of 111.39 feet;
- Course XXVI. Thence along the arc of a curve deflecting to the right having a length of 37.94 feet, a radius of 20.00 feet, a delta of $108^{\circ}40'42''$, a tangent of 27.87 feet, and a chord which bears $S 84^{\circ}03'04'' W$ a distance of 32.50 feet;
- Course XXVII. Thence North $41^{\circ}36'35''$ West a distance of 78.13 feet to a southerly line of Ridge Condominium Association Inc. Phase I as shown by Plat recorded in volume 28, page 7 of the Lake County Records of Plats;
- Course XXVIII. Thence along the arc of a curve deflecting to the left having a length of 123.43 feet, a radius of 694.39 feet, a delta of $10^{\circ}11'06''$, a tangent of 61.88 feet, and a chord which bears $S 29^{\circ}19'14'' W$ a distance of 123.27 feet to a 5/8 inch rebar found, capped "Babcock and Jones;"
- Course XXIX. Thence South $24^{\circ}11'53''$ West along the southerly line of said Ridge Condominium Association Inc. Phase I a distance of 241.41 feet to a 5/8 inch rebar found, capped "Babcock and Jones;"
- Course XXX. Thence North $48^{\circ}26'36''$ East a distance of 304.72 feet;
- Course XXXI. Thence South $41^{\circ}36'35''$ East a distance of 157.11 feet;
- Course XXXII. Thence North $48^{\circ}23'25''$ East a distance of 52.00 feet;

Course XXXIII. Thence North $41^{\circ}36'35''$ West a distance of 30.00 feet;

Course XXXIV. Thence South $48^{\circ}23'25''$ West a distance of 20.00 feet;

Course XXXV. Thence North $41^{\circ}36'35''$ West a distance of 111.58 feet;

Course XXXVI. Thence along the arc of a curve deflecting to the right having a length of 23.54 feet, a radius of 20.00 feet, a delta of $67^{\circ}26'35''$, a tangent of 13.35 feet, and a chord which bears N $07^{\circ}53'18''$ W a distance of 22.21 feet;

Course XXXVII. Thence along the arc of a curve deflecting to the left having a length of 24.10 feet, a radius of 384.00 feet, a delta of $3^{\circ}35'45''$, a tangent of 12.05 feet, and a chord which bears N $27^{\circ}37'52''$ E a distance of 24.10 feet;

Course XXXVIII. Thence South $59^{\circ}49'29''$ East a distance of 20.00 feet;

Course XXXIX. Thence North $34^{\circ}02'44''$ East a distance of 43.07 feet;

Course XL. Thence South $55^{\circ}57'16''$ East a distance of 64.02 feet;

Course XLI. Thence North $48^{\circ}23'25''$ East a distance of 99.95 feet;

Course XLII. Thence North $44^{\circ}53'59''$ West a distance of 93.91 feet;

Course XLIII. Thence North $45^{\circ}06'01''$ East a distance of 85.97 feet;

Course XLIV. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of $90^{\circ}00'00''$, a tangent of 20.00 feet, and a chord which bears S $89^{\circ}53'59''$ E a distance of 28.28 feet;

Course XLV. Thence South $44^{\circ}53'59''$ East a distance of 29.08 feet;

Course XLVI. Thence along the arc of a curve deflecting to the right having a length of 52.51 feet, a radius of 84.00 feet, a delta of $35^{\circ}48'50''$, a tangent of 27.14 feet, and a chord which bears S $26^{\circ}59'34''$ E a distance of 51.66 feet;

Course XLVII. Thence South $84^{\circ}19'36''$ West a distance of 19.85 feet;

Course XLVIII. Thence South $05^{\circ}40'24''$ East a distance of 70.00 feet;

Course XLIX. Thence North $84^{\circ}19'36''$ East a distance of 20.00 feet;

Course L. Thence South $05^{\circ}40'24''$ East a distance of 58.14 feet;

Course LI. Thence along the arc of a curve deflecting to the right having a length of 87.34 feet, a radius of 184.00 feet, a delta of $27^{\circ}11'51''$, a tangent of 44.51 feet, and a chord which bears S $07^{\circ}55'32''$ W a distance of 86.52 feet;

Course LII. Thence North $66^{\circ}55'07''$ West a distance of 20.01 feet;

Course LIII. Thence South $28^{\circ}08'13''$ West a distance of 38.85 feet;

Course LIV. Thence South $56^{\circ}48'27''$ East a distance of 20.01 feet;

Course LV. Thence along the arc of a curve deflecting to the right having a length of 43.81 feet, a radius of 184.00 feet, a delta of $13^{\circ}38'26''$, a tangent of 22.01 feet, and a chord which bears S $41^{\circ}34'12''$ W a distance of 43.70 feet;

- Course LVI. Thence South 48°23'25" West a distance of 44.78 feet;
- Course LVII. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 86°36'35" W a distance of 28.28 feet;
- Course LVIII. Thence North 41°36'35" West a distance of 60.75 feet;
- Course LIX. Thence South 48°23'25" West a distance of 32.00 feet;
- Course LX. Thence South 41°36'35" East a distance of 53.75 feet;
- Course LXI. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears S 03°23'25" W a distance of 28.28 feet;
- Course LXII. Thence South 48°23'25" West a distance of 103.84 feet;
- Course LXIII. Thence South 53°15'15" West a distance of 11.87 feet;
- Course LXIV. Thence South 58°07'04" West a distance of 58.26 feet;
- Course LXV. Thence along the arc of a curve deflecting to the left having a length of 13.58 feet, a radius of 80.00 feet, a delta of 9°43'39", a tangent of 6.81 feet, and a chord which bears S 53°15'15" W a distance of 13.57 feet;
- Course LXVI. Thence South 48°23'25" West a distance of 98.50 feet to the easterly right of way of said High Street;
- Course LXVII. Thence South 41°30'36" East a distance of 198.00 feet to the place of beginning and containing 2.6926 acres.

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

DATE

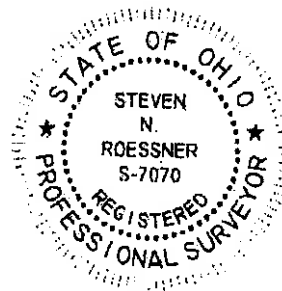


EXHIBIT 2

(LEGAL DESCRIPTION OF ADDITIONAL LANDS)

**Description
Additional Lands
to
Phase 1
Nautical Ridge Condominiums
April 6, 2006**

Remaining Land

Parcel 1

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lot 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Beginning at a 5/8 inch rebar found capped "Coffman" at a northwesterly corner of parcel 14A025B000100 owned by Eco. Inc. by deed recorded in document 2001R057839 of the Lake County Records of Deeds, said point of beginning being located South 41°30'36" East along an easterly right of way of High Street, 80' wide, from a 5/8 inch rebar found, capped "Babcock & Jones," at a southeasterly corner of Ridge Condominium Association Phase 1 as recorded in volume 28, page 7 of Lake County Record of Plats;

Thence North 48°23'25" East along a northerly line of said parcel 14A025B0001000 a distance of 156.22 feet to the true place of beginning;

- | | |
|--------------|--|
| Course I. | Thence North 41°36'35" West a distance of 128.00 feet; |
| Course II. | Thence along the arc of a curve deflecting to the right having a length of 30.72 feet, a radius of 20.00 feet, a delta of 88°00'44", a tangent of 19.32 feet, and a chord which bears N 02° 23'47" E a distance of 27.79 feet; |
| Course III. | Thence North 65°05'22" East a distance of 20.84 feet; |
| Course IV. | Thence North 48°23'25" East a distance of 41.47 feet; |
| Course V. | Thence North 31°41'28" East a distance of 20.88 feet; |
| Course VI. | Thence North 48°23'25 East a distance of 67.27 feet; |
| Course VII. | Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears S 86°36'35" E a distance of 28.28 feet; |
| Course VIII. | Thence South 41°36'35" East a distance of 128.00 feet to the northerly line of said parcel 14A025B000100; |
| Course IX. | Thence South 48°23'25" West along a northerly line of said parcel 14A025B000100 and distance of 188.01 feet to the place of beginning and containing 0.6263 acres of land. |

Parcel 2

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lots 7 and 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Beginning at a 5/8 inch rebar found, capped "Babcock & Jones," at a southeasterly corner of Ridge Condominium Association Phase I as recorded in volume 28, page 7 of Lake County Record of Plats;

Thence South 41°30'36" East along an easterly right of way of High Street, 80' wide, a distance of 219.14 feet;

Thence North 48°23'25" East a distance of 98.50 feet;

Thence along the arc of a curve deflecting to the right having a length of 13.58 feet, a radius of 80.00 feet, a delta of 9°43'39", a tangent of 6.81 feet, and a chord which bears N 53°15'15" E a distance of 13.57 feet;

Thence North 58°07'04" East a distance of 58.26 feet;

Thence North 53°15'15" East a distance of 11.87 feet;

Thence North 48°23'25" East a distance of 103.84 feet;

Thence along the arc of a curve deflecting to the left having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 03°23'25" E a distance of 28.28 feet;

Thence North 41°36'35" West a distance of 53.75 feet;

Thence North 48°23'25" East a distance of 32.00 feet to the true place of beginning;

- | | |
|--------------|---|
| Course I. | Thence North 48°23'25" East a distance of 20 feet; |
| Course II. | Thence North 41°36'35" West a distance of 30.00 feet; |
| Course III. | Thence South 48°23'25" West a distance of 20.00 feet; |
| Course IV. | Thence North 41°36'35" West a distance of 111.58 feet; |
| Course V. | Thence along the arc of a curve deflecting to the right having a length of 23.54 feet, a radius of 20.00 feet, a delta of 67°26'35", a tangent of 13.35 feet, and a chord which bears N 07°53'18" W a distance of 22.21 feet; |
| Course VI. | Thence along the arc of a curve deflecting to the left having a length of 24.10 feet, a radius of 384.00 feet, a delta of 3°35'45", a tangent of 12.05 feet, and a chord which bears N 27°37'52" E a distance of 24.10 feet; |
| Course VII. | Thence South 59°49'29" East a distance of 20.00 feet; |
| Course VIII. | Thence North 34°02'44" East a distance of 43.07 feet; |
| Course IX. | Thence South 55°57'16" East a distance of 64.02 feet; |
| Course X. | Thence North 48°23'25" East a distance of 99.95 feet; |
| Course XI. | Thence North 44°53'59" West a distance of 93.91 feet; |
| Course XII. | Thence North 45°06'01" East a distance of 85.97 feet; |
| Course XIII. | Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears S 89°53'59" E a distance of 28.28 feet; |
| Course XIV. | Thence South 44°53'59" East a distance of 29.08 feet; |

- Course XV. Thence along the arc of a curve deflecting to the right having a length of 52.51 feet, a radius of 84.00 feet, a delta of 35°48'50", a tangent of 27.14 feet, and a chord which bears S 26°59'34" E a distance of 51.66 feet;
- Course XVI. Thence South 84°19'36" West a distance of 19.85 feet;
- Course XVII. Thence South 05°40'24" East a distance of 70.00 feet;
- Course XVIII. Thence North 84°19'36" East a distance of 20.00 feet;
- Course XIX. Thence South 05°40'24" East a distance of 58.14 feet;
- Course XX. Thence along the arc of a curve deflecting to the right having a length of 87.34 feet, a radius of 184.00 feet, a delta of 27°11'51", a tangent of 44.51 feet, and a chord which bears S 07°55'32" W a distance of 86.52 feet;
- Course XXI. Thence North 66°55'07" West a distance of 20.01 feet;
- Course XXII. Thence South 28°08'13" West a distance of 38.85 feet;
- Course XXIII. Thence South 56°48'27" East a distance of 20.01 feet;
- Course XXIV. Thence along the arc of a curve deflecting to the right having a length of 43.81 feet, a radius of 184.00 feet, a delta of 13°38'26", a tangent of 22.01 feet, and a chord which bears S 41°34'12" W a distance of 43.70 feet;
- Course XXV. Thence South 48°23'25" West a distance of 44.78 feet;
- Course XXVI. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 86°36'35" W a distance of 28.28 feet;
- Course XXVII. Thence North 41°36'35" West a distance of 60.75 feet to the place of beginning and containing 1.1737 acres.

Parcel 3

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lots 7 and 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Beginning at a 5/8 inch rebar found capped "Babcock & Jones" at the southeasterly corner of Ridge Condominium Association Phase 1 as recorded in volume 28, page 7 of Lake County Record of Plats;

- Course I. Thence South 41°30'36" East along an easterly right of way of High Street, 80' wide, a distance of 219.14 feet;
- Course II. Thence North 48°23'25" East a distance of 98.50 feet;
- Course III. Thence along the arc of a curve deflecting to the right having a length of 13.58 feet, a radius of 80.00 feet, a delta of 9°43'39", a tangent of 6.81 feet, and a chord which bears N 53°15'15" E a distance of 13.57 feet;
- Course IV. Thence North 58°07'04" East a distance of 58.26 feet;
- Course V. Thence North 53°15'15" East a distance of 11.87 feet;

- Course VI. Thence North 48°23'25" East a distance of 103.84 feet;
- Course VII. Thence along the arc of a curve deflecting to the left having a length of 31.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 03°23'25" E a distance of 28.28 feet;
- Course VIII. Thence North 41°36'35 West a distance of 210.86 feet;
- Course IX. Thence South 48°26'36" West a distance of 304.72 feet to the place of beginning and containing 1.5764 acres of land.

Parcel 4

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lots 7 and 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Beginning at a 5/8 inch rebar found capped "Babcock & Jones" at the southeasterly corner of Ridge Condominium Association Phase 1 as recorded in volume 28, page 7 of Lake County Record of Plats;

Thence North 24°11'53" East along an easterly line of the said Ridge Condominium Association Phase 1 a distance of 241.41 feet to a 5/8 inch rebar found, capped "Babcock and Jones;"

Thence along an easterly line of the said Ridge Condominium Association Phase 1 on the arc of a curve deflecting to the right having a delta of 10°11'06", a length of 123.43 feet, a radius of 694.39 feet, and a chord which bears North 29°19'14" East a distance of 123.27 feet to the true place of beginning;

- Course I. Thence along an easterly line of the said Ridge Condominium Association Phase 1 on the arc of a curve deflecting to the right having a delta of 10°45'48", a length of 130.44 feet, a radius of 694.39 feet, and a chord which bears North 39°47'41" East a distance of 130.25 feet to a 5/8 inch rebar found capped Babcock & Jones at a point of tangency;
- Course II. Thence North 45°06'01" East, along an easterly line of the said Ridge Condominium Association Phase 1 and along an easterly line of Ridge Condominium Association Phases 2-5 as recorded in the following Lake County Record of Plats respectively: Volume 28, Page 30, Volume 29, Page 30, Volume 30, Page 13, & Volume 31, Page 14, a distance of 667.10 feet to a 5/8 inch rebar found, capped "Foresight Eng." at the northwesterly corner of parcel #14A0250000150 conveyed to Quartz Scientific, Inc., as recorded in volume 806, page 102 of Lake County Deed Records;
- Course III. Thence South 6°16'40" East, along a westerly line of said parcel #14A0250000150, a distance of 193.49 feet to a 5/8 inch rebar found at the southwesterly corner of said parcel #14A0250000150;
- Course IV. Thence North 84°40'36" East, along a southerly line of said parcel # 14A0250000150 a distance of 141.26 feet to a 5/8 inch rebar found at the northwesterly corner of subplot 1 of Fairport Industrial Park as recorded in Volume W, Page 11 of Lake County Record of Plats also being parcel #14A025A000010 conveyed to Quartz Scientific, Inc. as recorded in volume 899, page 855 of the Lake County Deed Records ;
- Course V. Thence South 5°40'24" East, along the westerly line of said parcel # 14A025A000010 and also along the westerly line of subplot 2 in said Fairport Industrial Park, known as parcel #14A025A000020 conveyed to Quartz Scientific, Inc. as recorded in volume 125, page 51 of the Lake County Deed Records a distance of 420.00 feet to a 5/8 inch

rebar set on a northerly line of parcel #14A025A000030 conveyed to American Property Group, LLC. as recorded in document 2005R022402 of Lake County Record of Documents, also being a southwesterly corner of said parcel #14A025A000020;

- Course VI. Thence South 42°53'29" West along a westerly line of said parcel 14A025A000030, a distance of 38.22 feet to 5/8 inch rebar found, capped "Foresight Eng.";
- Course VII. Thence South 87°45'55" West along a northerly line of said parcel 14A025A000030 a distance of 102.53 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course VIII. Thence South 5°40'24" East along a westerly line of said parcel 14A025A000030 a distance of 36.72 feet to a 5/8 inch rebar set, capped "Foresight Eng.";
- Course IX. Thence South 84°19'36" West along a northerly line of said parcel 14A025A000030 a distance of 11.36 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course X. Thence South 5°15'37" West along a westerly line of said parcel 14A025A000030 a distance of 19.24 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course XI. Thence along the arc of a curve deflecting to the right, having a delta of 89°28'31", a length of 114.00 feet, a radius of 73.00 feet, a tangent of 72.33 feet, and a chord which bears South 49°59'53" West a distance of 102.76 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course XII. Thence North 85°15'52" West along a northerly line of said parcel 14A025A000030 a distance of 22.87 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course XIII. Thence South 4°44'08" West along a westerly line of said parcel 14A025A000030 a distance of 63.03 feet to a 5/8 inch rebar found, capped "Foresight Eng.," on a westerly line of said parcel #14A025A000030;
- Course XIV. Thence South 21°33'39" East along the westerly line of said parcel #14A025A000030 a distance of 35.84 feet to a 5/8 inch rebar found, capped "Foresight Eng." at a northerly corner of parcel #14A025B000100 conveyed to Eco, Inc., as recorded in Document 2001R057839 of Lake County Record of Documents;
- Course XV. Thence South 48°23'25" West, along the westerly line of said parcel #14A025B000100, a distance of 172.99 feet;
- Course XVI. Thence North 41°36'35" West a distance of 127.00 feet;
- Course XVII. Thence along the arc of a curve deflecting to the right having a length of 30.42 feet, a radius of 20.00 feet, a delta of 90°00'00", a tangent of 20.00 feet, and a chord which bears N 03° 23'25" E a distance of 28.28 feet;
- Course XVIII. Thence North 48°23'25" East a distance of 6.00 feet;
- Course XIX. Thence along the arc of a curve deflecting to the left having a length of 106.09 feet, a radius of 216.00 feet, a delta of 28°08'26", a tangent of 54.14 feet, and a chord which bears N 34° 19'12" E a distance of 105.02 feet;
- Course XX. Thence along the arc of a curve deflecting to the right having a length of 29.39 feet, a radius of 20.00 feet, a delta of 84°11'20", a tangent of 18.07 feet, and a chord which bears N 62°20'39" E a distance of 26.81 feet;
- Course XXI. Thence North 11°03'54" East a distance of 32.08 feet;

- Course XXII. Thence along the arc of a curve deflecting to the right having a length of 29.16 feet, a radius of 20.00 feet, a delta of $83^{\circ}32'17''$, a tangent of 17.86 feet, and a chord which bears $N 39^{\circ} 04' 41'' W$ a distance of 26.65 feet;
- Course XXIII. Thence along the arc of a curve deflecting to the left having a length of 31.53 feet, a radius of 216.00 feet, a delta of $8^{\circ}21'51''$, a tangent of 15.79 feet, and a chord which bears $N 01^{\circ} 29' 28'' W$ a distance of 31.50 feet;
- Course XXIV. Thence North $05^{\circ}40'24''$ West a distance of 123.14 feet;
- Course XXV. Thence along the arc of a curve deflecting to the left having a length of 79.42 feet, a radius of 116.00 feet, a delta of $39^{\circ}13'35''$, a tangent of 41.34 feet, and a chord which bears $N 25^{\circ} 17' 11'' W$ a distance of 77.88 feet;
- Course XXVI. Thence North $44^{\circ}53'59''$ West a distance of 29.08 feet;
- Course XXVII. Thence along the arc of a curve deflecting to the right having a length of 31.42 feet, a radius of 20.00 feet, a delta of $90^{\circ}00'00''$, a tangent of 20.00 feet, and a chord which bears $N 00^{\circ} 06' 01'' E$ a distance of 28.28 feet;
- Course XXVIII. Thence North $46^{\circ}41'23''$ West a distance of 32.02 feet;
- Course XXIX. Thence South $45^{\circ}06'01''$ West a distance of 212.73 feet;
- Course XXX. Thence along the arc of a curve deflecting to the left having a length of 111.73 feet, a radius of 416.00 feet, a delta of $15^{\circ}23'19''$, a tangent of 56.20 feet, and a chord which bears $S 37^{\circ} 24' 22'' W$ a distance of 111.39 feet;
- Course XXXI. Thence along the arc of a curve deflecting to the right having a length of 37.94 feet, a radius of 20.00 feet, a delta of $108^{\circ}40'42''$, a tangent of 27.87 feet, and a chord which bears $S 84^{\circ}03'04'' W$ a distance of 32.50 feet;
- Course XXXII. Thence North $41^{\circ}36'35''$ West a distance of 78.13 feet to the place of beginning and containing 6.6652 acres of land.

Parcel 5

Situated in the Village of Fairport Harbor, County of Lake and State of Ohio and known as being a part of original Lots 7 and 8, Tract 4 in Township 11 North, Range 8 West of the Connecticut Western Reserve and being further described as follows:

Beginning at a 5/8 inch rebar found capped "Babcock & Jones" at a southeasterly corner of Fairport Industrial Park Sub lot 2 as recorded in volume W, page 11 of Lake County Record of Plats, said sub lot 2 known as parcel #14A025A000020 conveyed to Quartz Scientific, Inc. as recorded in volume 125, page 51 of the Lake County Deed Records, on a westerly right of way of East Street, 60 feet wide;

- Course I. Thence South $84^{\circ}42'01''$ West along a southerly line of said parcel 14A025A000020 a distance of 390.02 feet to a 5/8 inch rebar found, capped "Foresight Eng." at a southwesterly corner of said parcel #14A025A000020;
- Course II. Thence South $42^{\circ}53'29''$ West along a westerly line of parcel 14A025A000030, owned by American Property Group, LLC. by deed recorded in Document 2005R022402 of the Lake County Records of deeds, a distance of 38.22 feet to 5/8 inch rebar found, capped "Foresight Eng.";

- Course III. Thence South 87°45'55" West along a northerly line of said parcel 14A025A000030 a distance of 102.53 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course IV. Thence South 5°40'24" East along a westerly line of said parcel 14A025A000030 a distance of 36.72 feet to a 5/8 inch rebar set, capped "Foresight Eng.";
- Course V. Thence South 84°19'36" West along a northerly line of said parcel 14A025A000030 a distance of 11.36 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course VI. Thence South 5°15'37" West along a westerly line of said parcel 14A025A000030 a distance of 19.24 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course VII. Thence along the arc of a curve deflecting to the right, having a delta of 89°28'31", a length of 114.00 feet, a radius of 73.00 feet, a tangent of 72.33 feet, and a chord which bears South 49°59'53" West a distance of 102.76 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course VIII. Thence North 85°15'52" West along a northerly line of said parcel 14A025A000030 a distance of 22.87 feet to a 5/8 inch rebar found, capped "Foresight Eng.";
- Course IX. Thence South 4°44'08" West along a westerly line of said parcel 14A025A000030 a distance of 63.03 feet to a 5/8 inch rebar found, capped "Foresight Eng.," on a westerly line of said parcel #14A025A000030;
- Course X. Thence South 21°33'39" East along the westerly line of said parcel #14A025A000030 a distance of 35.84 feet to a 5/8 inch rebar found, capped "Foresight Eng." at a northerly corner of parcel #14A025B000100 conveyed to Eco, Inc., as recorded in Document 2001R057839 of Lake County Record of Documents;
- Course XI. Thence South 22°17'34 East along an easterly line of said parcel 14A025B000100 a distance of 202.02 feet, to a 5/8 rebar found, capped "Babcock and Jones," at a northerly corner of sub lot 19 of Grandon Industrial Park as shown by plat recorded in volume 1, page 20 of the Lake County records of plats;
- Course XII. Thence North 84°42'59" East along a northerly line of said sub lot 19 and sub lot 5 of Fairport Industrial Park Subdivision as shown on plat recorded in volume W, page 11 of the Lake County Records of Plats, a distance of 585.06 feet to a 5/8 inch rebar found, capped "Coffman," at a northeasterly corner of said sub lot 5, said corner being on the Westerly right of way of said East Street;
- Course XIII. Thence North 5°22'54" West along the westerly right of way of said East Street a distance of 420.06 feet to the place of beginning and containing 5.6957 acres.

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

DATE



EXHIBIT 3

NARRATIVE DESCRIPTION OF BUILDINGS AND UNITS

The Nautical Ridge Condominium Development is located off High Street (a dedicated public street) in Fairport Harbor, Ohio. The development is served by Nautical Ridge Drive (private road maintained by the Nautical Ridge Condominium Association). The development is situated in Fairport Harbor, Lake County, Ohio. The developer intends to extend and expand the private roadway in order to build condominium units in the Development.

The buildings are duplex and triplex multi-family, attached structures containing 2 and 3 units. The buildings are constructed on a slab or basement with a wood frame, exterior of vinyl siding, asphalt felt paper, asphalt shingles and drywall finish on the interior walls.

Unit 8 is a Nantucket model consisting of 1944 square feet including the garage. The Nantucket has a great room, two-bedrooms (master down), two full baths, laundry room, a two car garage and full walk-out basement.

Unit 9 is a Carlisle one story ranch model consisting of 2069 square feet including the garage. The Carlisle has a great room, two-bedrooms (master down), two full baths, laundry room, basement and a two car garage.

Unit 19 is a Sutton 2 story Cape-Cod on a Slab Foundation model consisting of 2616 square feet including the garage. The Sutton has a great room, 3 bedrooms (master-down), office, 2.5 Baths and a two car garage.

Unit 20 is a Nantucket one story ranch model consisting of 1944 square feet including the garage. The Nantucket has a great room, two-bedrooms (master down), two full baths, laundry room, and a two car garage.

Unit 45 is a Carlisle one story ranch model consisting of 2850 square feet including the garage. The Carlisle has a great room, two-bedrooms (master down), two full baths, laundry room, full walk-out basement and a two car garage.

Unit 46 is a Sutton 2 Story Cape-Cod model consisting of 2616 square feet including the garage. The Sutton has a great room, 3 bedrooms (master-down), office, 2.5 Baths, a full walk-out basement and a two car garage.

Unit 47 is a Monterey 2 story Cape-Cod model consisting of 1944 square feet including the garage. The Monterey has a great room, 3 bedrooms (master-down), office, 3 full Baths, a full walk-out basement and a two car garage.

EXHIBIT 4

Bylaws of Nautical Ridge Condominium Owners' Association

An Ohio Not For Profit Corporation

BYLAWS OF NAUTICAL RIDGE CONDOMINIUM OWNERS' ASSOCIATION

The within Bylaws are executed and incorporated in the Declaration of Condominium Ownership for Nautical Ridge Condominium Owners' Association ("Declaration") pursuant to Chapter 5311, Ohio Revised Code ("Act"). Certain of the terms used in these Bylaws have been defined in the Declaration and, when used herein, shall have the same meaning as set forth in the Declaration, unless the context clearly indicates a different meaning therefor. The purpose of the within Bylaws is to provide for the establishment of a Unit Owners' Association for the government of the Condominium Property in the manner provided by the Declaration and by these Bylaws. This purpose shall be accomplished on a non-profit basis, and no part of the earnings of the Association shall inure to the benefit of any private person, firm, corporation, association or organization. All present or future owners or tenants or their employees, or any other person who might use the facilities of the Condominium Property in any manner shall be subject to the covenants, provisions or regulations contained in the Declaration and these Bylaws and shall be subject to any restriction, condition or regulation hereafter adopted by the Association. The mere acquisition or rental of any of the Units, located within the Condominium Property described in the Declaration, or the mere act of occupancy of any of the Units will constitute acceptance and ratification of the Declaration and of these Bylaws.

ARTICLE I THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an Ohio corporation not for profit and shall be called the Nautical Ridge Condominium Owners' Association in accordance with Article IV of the Declaration.

Section 2. Membership. Each Unit Owner upon acquisition of title to a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such member of this Unit ownership, at which time the new owner of such Unit shall automatically become a member of the Association. Membership in the Association shall be limited to Unit Owners. In addition to any other rights the Declaration may have pursuant to the Declaration, the Declaration shall be a member of the Association with respect to all Units owned by Declarant and shall have the right, without limitation, to exercise the voting power appurtenant to such Units and the power to vote the same.

Section 3. Voting Rights. On any question on which the vote of Unit Owners is permitted or required, the owner or owners of each Unit shall be entitled to exercise one (1) vote for each such Unit. In the case of a Unit owned or held in the name of a corporation or a partnership, a certificate signed by said Unit Owner shall be filed with the Secretary of the Association. If such certificate is not on file, the vote of such corporation or partnership, shall not be considered nor shall the presence of such Unit Owner at a meeting be considered in determining whether the quorum requirement for such meeting has been met. Fiduciaries and

minors who are owners of record of a Unit may vote their respective interests as a Unit Owner. If two or more persons, whether fiduciaries, tenants in common or otherwise, own undivided interests in a Unit, each may exercise that proportion of the voting power of all of the Unit Owners of said Unit that is equivalent to their respective proportionate interests in said Unit. When any fiduciary or other legal representative of a Unit Owner has furnished to the Association proof, satisfactory to it, of his authority, he may vote as though he were the Unit Owner. The Declarant or its nominee shall be the voting member with respect to any Unit owned by the Declarant. The vote of the Association with respect to any Units owned by the Association shall be determined by the Board.

Section 4. Majority. Except as otherwise provided in the Act, the Declaration or these Bylaws, all actions taken by the Unit Owners shall require the affirmative vote of a majority of the voting power of the Association present at a meeting at which a quorum is present.

Section 5. Proxies. Unit Owners may vote or act in person or by proxy. The person appointed as proxy need not be a member of the 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 Secretary of the Association (or if there is no Secretary, then with the person conducting the meeting for which the proxy is given) at or before the meeting and shall be revocable at any time by actual notice to the Secretary of the Association by the member or members making such designation. Notice to the Association in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized. The presence at a meeting of the person appointing a proxy does not revoke the appointment.

Section 6. Establishment of Unit Owners' Association and Meetings of Members.

(A) Establishment of Unit Owners' Association.

The Unit Owners' Association shall be established not later than the date the deed or other evidence of ownership is filed for record following the first sale of a Condominium Ownership Interest in the Development. Until the Unit Owners' Association is established, the Declarant shall act in all instances where action of the Unit Owners' Association or its officers is authorized or required by law or in the Declaration.

(B) Annual Meeting.

The annual meeting of members of the Association for the election of members of the Board of Directors, 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 Association or at such other place in Lake County as may be designated by the Board and specified in the notice of such meeting. The first annual meeting of the Association shall be held upon ten (10) days' written notice given by the Declarant not later than the time that Condominium

Ownership Interests to which twenty-five percent (25%) of the undivided interests in the Common Elements appertaining have been sold and conveyed by the Declarant, unless the Declarant shall consent, in its sole discretion, to a lesser percentage. Thereafter, the annual meeting of members of the Association shall be held each succeeding year, if not a legal holiday, and, if a legal holiday, then on the next succeeding business day.

(C) Special Meeting.

Special meetings of the members of the Association may be held on any business day when called by the President of the Association or by the Board of Directors of the Association or by members entitled to exercise at least twenty-five percent (25%) of the voting power of the Association or by the Declarant or any Unit Owner when a meeting is required for the election of members to the Board of Directors pursuant to Article II, Section 5. hereof. Upon request in writing delivered either in person or by certified mail to the President or the Secretary of the Association by any persons entitled to call a meeting of members, such officer shall forthwith cause to be given to the members entitled thereto notice of a meeting to be held on a date not less than seven (7) or more than sixty (60) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such requests, the persons calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be held at the office of the Association or at such other place in Lake County as shall be specified in the notice of meeting.

(D) Notices of Meetings.

Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association who is an owner of a Unit of record as of the day next preceding the day on which notice is given. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any members of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the

commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting.

(E) Quorum.

Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the members of the Association, the members of the Association entitled to exercise one-half ~~(1/2)~~ of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration, or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time; 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.

Section 7. Order of Business. The order of business at all meetings of Unit Owners of the Association shall be as follows:

- (1) Calling of meeting to order.
- (2) Proof of notice of meeting or waiver of notice.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Reports of Committees.
- (6) Election of Inspectors of election.
- (7) Election of members of the Board of Directors.
- (8) Unfinished and/or old business.
- (9) New Business.
- (10) Adjournment.

Section 8. Actions without a Meeting. All actions which may be taken at a meeting of the Association, except an action for the removal of a Board member, may be taken without a meeting with the approval of, and in a writing or writings signed by the members of the Association having the percentage of voting power required to take such action if the same were taken for a meeting. Such writing or writings shall be filed with the Secretary of the Association.

ARTICLE II BOARD OF DIRECTORS.

Section 1. Qualifications. Except as otherwise provided herein, all Members of the Board of Directors (herein called "Board Members" or "Board") shall be Unit Owners. Board Members elected or designated by the Declarant need not fulfill the qualifications imposed by this Section 1 of this Article II or any other qualifications imposed on Board Members elected by Unit Owners other than the Declarant, except as otherwise provided in these Bylaws or by law, and Board Members elected or designated by the Declarant may be removed only by the Declarant or as otherwise provided herein. If a Board Member shall cease to meet such qualifications during his term, he shall thereupon cease to be a member of the Board and his place on the Board shall be deemed vacant. No single Unit may be represented on the Board by more than one (1) person at any time.

Section 2. Number of Board Members. Subject to such limitations as are or may be imposed by Chapters 1702 and 5311 of the Ohio Revised Code, the Declaration or these Bylaws (including Section 14 hereof), as any of the same may be lawfully amended from time to time, all power and authority of the Association shall be exercised by the Board of Directors consisting of three (3) members, in accordance with Section 3 hereof.

Section 3. Election of Board Members by Declarant and Unit Owners Prior to the First Annual Meeting. Until such time as Condominium Ownership Interests to which less than twenty-five percent (25%) of the undivided interests in the Common Elements appertain have been sold and conveyed by the Declarant, the Declarant shall have the right to elect or designate all three (3) Board Members. Not later than sixty (60) days after Declarant has sold and conveyed Condominium Ownership Interests appertaining to twenty-five percent (25%) of the undivided interests in the Common Elements have been sold and conveyed by the Declarant, the Association shall meet and the Unit Owners, other than the Declarant, shall elect not less than one-third (1/3) of the members of the Board of Directors. Since one (1) of the three (3) Board Members representing one-third (1/3rd) of the Board Members is to be elected by Unit Owners other than the Declarant when Condominium Ownership Interests to which twenty-five percent (25%) of the individual interests in the Common Elements appertain have been sold or conveyed by the Declarant, it will not be necessary to have a meeting when Condominium Ownership Interests to which fifty percent (50%) of the individual interests in the Common Elements appertain have been sold and conveyed by the Declarant, since, at that time, Unit Owners, other than the Declarant, will have elected the required thirty-three and one-third percent (33-1/3%) of the members of the Board.

Section 4. First Annual Meeting. Within thirty (30) days after the earlier of either: (a) five (5) years following the date of the establishment of the Association (or such earlier period of time as Declarant, at its option, may designate); or (b) the date of the sale and conveyance of Condominium Ownership Interests to which appertain seventy-five percent (75%) or more of the undivided interests in the Common Elements to purchasers in good faith for value,

the Association shall meet (herein referred to as the "First Annual Meeting") and all Unit Owners (including Declarant, if Declarant shall own any Units) and elect all three (3) members of the Board of the Association and all persons previously elected or designated whether by the Declarant or by the other Unit Owners shall immediately resign; provided, however, that such persons shall be eligible for re-election to the Board. The persons so elected at the First Annual Meeting shall take office upon such election and shall serve such terms for which they are elected in accordance with Section 5. of this Article II.

Section 5. Election of Board Members from and after the First Annual Meeting. Except for the procedures set forth in Section 3. of this Article II for the election of Board Members prior to the First Annual Meeting, Board Members shall be elected at the annual meeting of members of the Association, but when the annual meeting is not held or Board Members are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by written secret ballot whenever requested by any member of the Association; but, unless such request is made, the election may be conducted in any manner approved at such meeting. Any Board Member elected or designated prior to the First Annual Meeting shall hold office for a term not to exceed one (1) year after his election or designation. Commencing with the First Annual Meeting, Board Members shall be elected for such terms so that the terms of office of not less than one-third of the Board Members shall expire each year. Accordingly, at the First Annual Meeting of the Association, one (1) Board Member shall be elected for a term of three (3) years, one (1) Board Member shall be elected for a term of two (2) years and one (1) Board Member shall be elected for a term of one (1) year. All Board Members shall be elected in accordance with the provisions of this Article II. At meetings of the Association subsequent to the First Annual Meeting which are called for the purpose of electing Board Members, each Board Member shall be elected for terms of three (3) years or to complete unfinished terms. Except as otherwise provided herein, each Board Member shall hold office until the expiration of his term and until his successor is elected, or until his earlier resignation, removal from office or death. Any Board Member may resign at any time by oral statement to that effect made at a meeting of the Board or by a writing to that effect delivered to the Secretary of the Association; such resignation shall take effect immediately or at such other time as the Board Member may specify. Each member of the Association may cast as many of his votes as there are Board Members to be elected. By way of example, if two (2) Board Members are to be elected, a member of the Association shall have the right to cast a maximum of two (2) votes, but not more than one (1) vote may be cast for any candidate. The candidates receiving the greatest number of votes shall be elected and those receiving the highest percentages of the total vote cast shall serve for the longest terms. Tie votes shall be decided by drawing of lots or by a flip of a coin.

Section 6. Organization Meeting. Immediately after each annual meeting of members of the Association, the newly elected Directors and those Directors 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.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year.

Section 8. Special Meetings. Special meetings of the Board of Directors may be held at any time upon call by the President or any two Directors. Written notice of the time and place of each such meeting shall be given to each Manager either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purposes of the meeting; 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 either before or after the holding of such meeting, by any Manager, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 9. Quorum; Adjournment. A quorum of the Board of Directors shall consist of a majority of the Directors then in office; provided that a majority of the Directors present at a 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 if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these Bylaws.

Section 10. Powers and Duties. Except as otherwise provided by law, the Declaration or these Bylaws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Condominium Property and subject to the limitations prescribed by law, the Declaration or these Bylaws, the Board, for and on behalf of the Association, may do the following:

- (A) Maintenance, repair, replacement and surveillance of the Condominium Property and the Common Elements and certain of the Limited Common Elements.
- (B) Levy of Assessments against the Unit Owners and the collection of same.
- (C) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium Property, the Common Elements and the Limited Common Elements.
- (D) In carrying out the purposes of the Association and subject to the limitations prescribed by law, the Declaration or these Bylaws, the Board, for and on behalf of the Association, may:

- (1) Purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein.
 - (2) Grant easements for access, utility and other purposes set forth in Article III of the Declaration for the benefit of the Condominium Development, Additional Lands or any neighboring property.
 - (3) Make contracts.
 - (4) Effect insurance.
 - (5) Borrow money, and issue, sell, and pledge notes, bonds, and other evidence of indebtedness on behalf of the Association, provided, however, if such borrowing is in excess of Five Thousand Dollars (\$5,000.00), the prior approval of the members of the Association entitled to exercise a majority of the voting power of the Association shall be obtained at a special meeting duly held for such purpose.
- (E) Employ a managing agent to perform such duties and services as the Board may authorize.
- (F) Employ lawyers and accountants to perform such legal and accounting services as the Board may authorize.
- (G) Adopt Rules and Regulations.
- (H) To do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws or the Declaration or incidental thereto.

Section 11. Removal of Board Members. Except as otherwise provided herein and in the Act, the Board may remove any Board Member and thereby create a vacancy in the Board if by order of court such Board Member has been found to be of unsound mind, or if he is physically incapacitated, adjudicated as bankrupt, or fails to attend three consecutive meetings of the Board. At any regular or special meeting of members of the Association duly called at which a quorum shall be present, any one or more of the Board Members may be removed with or without cause by the vote of members entitled to exercise a majority of the voting power of the Association, and a successor or successors to such Board Member so removed may be elected at the same meeting for the unexpired term for each such removed Board Member. Any Board Member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 12. Vacancies. Except as otherwise provided and subject to the provisions of Act, vacancies in the Board may be filled by a majority vote of the remaining Board Members until an election to fill such vacancies is held. Members of the Association shall have the right to fill any vacancy in the Board (whether or not the same has been temporarily filled by the remaining Board Members) at any meeting of the members of the Association called for that purpose, and any Board Members elected at any such meeting of members of the Association shall serve until the next annual election of Board Members and until their respective successors are elected and qualified.

Section 13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association and shall be a common expense.

Section 14. Initial Board of Directors. Notwithstanding any of the other provisions contained in this Article II, the Declarant may designate the initial Board of Directors to serve until the first meeting of the Unit Owners. The initial Board of Directors may consist of not less than three (3) members and such members may be officers, directors, employees or other designated representatives of Declarant, and need not be owners or occupiers of Units.

Section 15. Compensation. The Board of Directors shall not receive any salary or compensation for their services, as such, provided nothing herein contained shall be construed to preclude any Board Member from having dealings with the Association in any other capacity and receiving compensation therefor.

ARTICLE III OFFICERS

Section 1. Election and Designation of Officers. The Board of Directors shall elect a President, a Vice President, a Secretary and a Treasurer, each of whom shall be a member of the Board of Directors. The Board of Directors 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 Directors but who are members of the Association.

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

Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Board of Directors. Subject to directions of the Board of Directors, the President shall have general executive supervision over the business

and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Directors or otherwise provided for in the Declaration or in these Bylaws. The President shall have the power to appoint committees from among the Officers and other Unit Owners as he may deem necessary to assist with affairs of the Association.

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

Section 5. Secretary. The Secretary shall keep the minutes of meetings of meetings of the members of the Association and of the Board of Directors, shall give notice of meetings of the members of the Association and of the Board of Directors as required by law, or by these Bylaws or otherwise, and shall perform such other-duties as may be determined by the Board of Directors.

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

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

Section 8. Delegation of Authority and Duties. The Board of Directors 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.

Section 9. No Compensation to Officers. None of the officers of the Association shall receive compensation for his services as such.

ARTICLE IV GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments from Maintenance Funds. The Association, for the benefit of the owners, shall acquire, and shall pay for out of the maintenance fund hereinafter provided for all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

- (A) **Utility Service for Common Elements.**
Water, waste removal, electricity, telephone, heat, power and any other necessary utility service for the Common Elements; and the expense of maintaining, repairing and replacing water lines and other utilities situated on the Condominium Property or servicing the same;
- (B) **Casualty Insurance.**
A policy or policies of fire insurance, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;
- (C) **Liability Insurance: Directors' and Officers' Liability Insurance.**
A policy or policies insuring the Association; the members of the Board and the owners against any liability to the public or to the owners (of Units and of the Common Elements, and their invitees, or tenants), incident to the ownership and/or use of the Common Elements and Units, as provided in the Declaration, the limits of which policy shall be reviewed annually. Furthermore, the Board, at its option, may obtain directors' and officers' liability insurance;
- (D) **Workmen's Compensation.**
Workmen's compensation insurance to the extent necessary to comply with any applicable laws;
- (E) **Wages and Fees for Services.**
The services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the maintenance of or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Declaration and these Bylaws and for the organization, operation and enforcement of the rights of the Association;
- (F) **Care of Common Elements.**
Landscaping, gardening, snow removal, painting, cleaning, tuck pointing, maintenance, decorating, repair and replacements of the Common Elements and Limited Common Elements as provided in the Declaration (but not including the exterior surfaces (including the roof, walls and foundations) and the interior surfaces of the Units, which the owner shall paint, clean, decorate, maintain and repair in accordance with the Declaration), the operation of recreational facilities, if any, and such furnishings and equipment for the Common Elements as the Association

shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements;

(G) Additional Expenses.

Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration and these Bylaws or by law of which in its opinion shall be necessary or proper for the maintenance and operation of the Condominium Property as a first-class condominium property or for the enforcement of the Declaration and these Bylaws;

(H) Discharge of Mechanic's Liens.

Any amount necessary to discharge any mechanic's lien or other encumbrances levied against the entire Condominium Property or any part thereof which may in the opinion of the Association constitute a lien against the Condominium Property or against the Common Elements, rather than merely against the interests therein of particular owners; it being understood, however, that the foregoing authority shall not be in limitation of any statutory provisions relating to the same subject matter. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said owners;

(I) Certain Maintenance of Units. Maintenance and repair of any Unit if, at the sole discretion of the Association, the owner or owners of said Unit have failed or refused, to perform said maintenance or repair; within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said owner or owners, provided that the Association shall levy a special assessment against such Unit Owner for the cost of said maintenance or repair;

(J) Limitation on Capital Additions and Improvements.

The Association's powers hereinabove enumerated shall be limited in that the Association shall have no authority to acquire and pay for out of the maintenance fund any acquisitions, capital additions and improvements, or structural alterations to the Common Elements (other than for purposes of maintaining, replacing, restoring or repainting portions of the Common Elements, subject to all the provisions of the Declaration and these Bylaws) having a total cost in excess of Five Thousand Dollars (\$5,000.00), nor having an aggregate cost in any one (1) calendar year period in excess of Ten Thousand Dollars (\$10,000), without in each case

the prior approval of the members of the Association entitled to exercise a majority of the voting power of the Association provided, however, so long as Declarant has the authority to elect or designate. Any Board Members, the Declarant's prior written consent to such expenditure shall be required. The limitations of expenditures by the Association contained in this Section shall not apply to repair of the Condominium Property due to casualty loss, emergency repairs immediately necessary for the preservation and safety of the Condominium Property or for the safety of persons or to avoid suspension of any necessary services. The foregoing provisions of this Section 1(J) also shall not apply to the rehabilitation and renewal of obsolete property which shall be governed by the Declaration;

(K) **Miscellaneous.**

The Association shall pay such other costs and expenses designated as "Common Expenses" in the Declaration and in these Bylaws.

Section 2. Payments from Sanitary Sewer Reserve. The Association, for the benefit of the Owners, shall maintain a separate reserve account as required by Lake County Utilities Department to be used only for the maintenance of the sanitary sewers and related appurtenances.

Section 3. Rules and Regulations. The Board of Directors, by vote of the members entitled to exercise a majority of the voting power of the Board, may adopt such reasonable rules and regulations and from time to time amend the same supplementing the rules and regulations set forth in the Declaration and these Bylaws as it may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Condominium Property. Written notice of such rules and regulations shall be given to all owners and occupants and the Condominium Property shall at all times be maintained subject to such rules and regulations. In an action or proceeding brought by the Association against an Owner and/or Occupant of a Unit to enforce such rules or regulations, the Association shall be entitled to collect costs of suit and reasonable attorneys' fees from such Owner and/or Occupant. In the event such supplemental rules and regulations shall conflict with any provisions of the Declaration or of these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 4. No Active Business to be Conducted for Profit. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the owners or any of them.

Section 5. Special Services. The Association may arrange for the provision of any special services and facilities for the benefit of such owner; and/or occupants as may desire to pay for the same, including, without limitation, cleaning, repair and maintenance of Units. Fees for such special services and facilities shall be determined by the Board of Directors and

may be charged directly to participating owners, or paid from the maintenance fund and levied as a special assessment due from the participants.

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

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

ARTICLE V DETERMINATION AND PAYMENT OF ASSESSMENTS

Section 1. Payment of Assessments. Following the establishment of the Association and prior to the preparation of the estimated budget in accordance with Section 2 of this Article V, monthly assessments shall be paid by Unit Owners, including Declarant in its capacity as owner of any unsold Units, in an amount estimated by the Board of Directors as being sufficient to cover the initial working capital requirements for the Association payable by each Unit Owner being based upon such Unit Owner's percentage interest in the Common Elements as set forth in the Declaration) and if such monthly assessments shall be less than required to meet current Common Expenses, all Unit Owners, including the Declarant in its capacity as owner of any unsold Units, shall make up any deficiency on a pro rata basis in accordance with their respective percentages of interest in the Common Elements as set forth in the Declaration.

In addition to such regular monthly assessments, each purchaser of a Unit from the Declarant will be required to make, at the time such purchaser acquires title to a Unit, an initial capital contribution to the Association equal to two (2) installments of the monthly assessment for Common Expenses for each Unit purchased. The general purpose of this contribution is to provide the Association with a portion of the necessary initial working capital

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

Regular monthly assessments shall be paid to the Association commencing on the first day of the calendar month immediately following the date on which the first Unit is sold and the deed evidencing such sale shall have been filed for record with the Lake County, Ohio Recorder and shall continue to be due and payable on the first day of each and every calendar month thereafter. Said assessments shall be deposited when received by the Association in an account established in the name of the Association at a bank or savings and loan association in Lake County, Ohio. Unit Owners (including Declarant as to unsold units) shall continue to pay such monthly assessments as aforesaid until revised assessments are made by the Board of Directors in the manner herein provided.

Section 2. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th notify each owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the owners according to each owner's percentage of ownership in the Common Elements as set forth in the Declaration. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Owner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of the annual meeting of each calendar year, the Association shall supply to all owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each owner's percentage of ownership in the Common Elements to the next monthly installments due from owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each owner's percentage of ownership in the Common Elements to the installments due in the succeeding six months after rendering of the accounting.

Section 3. Reserve for Contingencies and Replacements. The Association shall be obligated to build up and maintain a reasonable reserve to finance the cost of repair or replacement of the components of the Common Elements. Included in the reserve is the amount payable by each Purchaser of a Unit at the time such Purchaser acquires title to his Unit.

Upon the sale of a Unit by any Unit Owner, such Unit Owner shall have no right to any portion of the funds in the reserve account; nor shall any such Unit Owner have any claim

against the Association with respect thereto. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any owner's assessment, the Association shall prepare an estimate of the additional cash requirements then necessary, or necessary for the balance of the year, which additional amount of cash requirements shall be assessed to the owners according to each owner's percentage of ownership in the Common Elements. The Association shall serve notice of such further assessment on all owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due not more than ten (10) days after the delivery or mailing of such notice of further assessments. All owners shall be obligated to pay the adjusted monthly amount.

Section 4. Budget for First Year. When the first Board of Directors elected hereunder takes office, the Association shall determine the "estimated cash requirement" as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the owners during said period as provided in Section 2 of this Article V.

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

Section 6. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any owner or any representative of an owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board of Directors and upon payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

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

Section 8. Annual Statements. Within one hundred twenty (120) days after the end of each fiscal year of the Association, the Board shall furnish to each Unit Owner a financial

statement consisting of: (A) a balance sheet containing a summary of the assets and liabilities of the association as of the date of such balance sheet; and (B) a statement of the income and expenses for the period commencing with the date marking the end of the period for which the last preceding statement of income and expenses required hereunder was made and ending with the date of said statement, or in the case of the first such statement, from the date of formation of the Association to the date of said statement. The financial statement shall have appended thereto a certificate signed by the President or the Vice President or Secretary or the Treasurer of the Association or by a public accountant or firm of public accountants to the effect that the financial statement presents fairly the financial position of the Association and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period except as may be specified therein.

Section 9. Annual Audit. The books of the Association shall be reviewed once a year by the Board of Directors, and such review shall be completed prior to each annual meeting. If requested by two or more members of the Board of Directors, such review shall be made by a Certified Public Accountant. In addition, and at any time, if requested by Unit Owners having more than fifty percent (50%) of the voting power of the Association, or upon the request of two or more members of the Board of Directors, the Board shall cause an additional review to be made.

Section 10. Remedies for Failure to Pay Assessments. If an owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board of Directors may bring suit for and on behalf of themselves and as representatives of all owners, to enforce collection thereof or to foreclose the lien therefor as provided in the Declaration, and, there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by the Declaration, any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Condominium Ownership Interest of the owner involved when payable and may be foreclosed by an action brought in the name of the Board of Directors as in the case of foreclosure of liens against real estate, as provided in the Declaration. As provided in the Declaration, the members of the Board of Directors and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any mortgagee shall be entitled to written notice of such failure to pay such assessment. The Board of Directors shall have the power to suspend the voting rights and the right to use of the recreational facilities of a Unit Owner during any period in which such Unit Owner shall be in default in the payment of any assessment levied by the Association. In addition, each Unit Owner shall be personally liable for all assessments levied by the Association against his Unit during the period he has an ownership interest therein, and any Common Assessment not paid within ten (10) days after the same shall become due and payable, shall bear interest at the maximum rate allowed by law until such time as the Common Assessment has been paid in full and the Association shall be entitled to levy against the delinquent Unit Owner a service charge

of five percent (5%) of the amount of the delinquent payment in order to defray the cost of collection.

Any encumbrancer may from time to time request in writing a written statement from the Board of Directors setting forth the unpaid Common Expenses with respect to the Unit covered by his or its encumbrance and unless the request shall be complied with within twenty (20) days, all unpaid Common Expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance.

ARTICLE VI INDEMNIFICATION

Section 1. In General. The Association shall indemnify any member of the Board, officer, employee, or agent of the Association or any former member of the Board, officer, employee or agent of the Association and/or its or their respective heirs, executors and administrators, against reasonable expenses, including attorneys' fees, judgments, decrees, fines, penalties or amounts paid in settlement actually and necessarily incurred by him in connection with the determination of any pending or threatened action, suit, or proceeding, criminal or civil, to which he is or may be made a party by reason of being or having been such member of the Board, officer, employee or agent of the Association, provided it is determined in the manner hereinafter set forth: (A) that such member of the Board, officer, employee or agent of the Association was not, and is not, adjudicated to have been negligent or guilty of misconduct in the performance of his duty to the Association, (B) that such member of the Board acted in good faith in what he reasonably believed to be in the best interest of the Association, (C) that, in any matter the subject of a criminal action, suit or proceeding, such Board member had no reasonable cause to believe that this conduct was unlawful, and (D) in case of settlement, that the amount paid in the settlement was reasonable. Such determination shall be made either by the members of the Board of the Association acting at a meeting at which a quorum consisting of members of the Board who are not parties to or threatened with any such action, suit or proceeding is present, or, in the event of settlement, by a written opinion of independent legal counsel selected by the members of the Board.

Section 2. Advance of Expenses. Funds to cover expenses, including attorney fees, with respect to any pending or threatened action, suit, or proceeding may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amounts unless it shall ultimately be determined that he is entitled to indemnification hereunder.

Section 3. Indemnification Not Exclusive; Insurance. The indemnification provided for in this Article VI shall not be exclusive, but shall be in addition to any other rights to which any person may be entitled under the Articles of Incorporation, Rules and Regulations

of the Association, any agreement, any insurance provided by the Association, the provisions of Section 1701.12(E) of the Ohio Revised Code, or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Board, officer, agent or employee of the association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 4. Indemnification by Unit Owners. The members of the Board and officers of the Association shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board and officers of the Association against all contractual liability to third parties arising out of contracts made on behalf of the Association except with respect to any such contracts made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board and officers of the Association shall have no personal liability with respect to contracts entered into on behalf of the Association. Every agreement made by any members of the Board, officer, employee or agent of the Association or by a management company, if any, on behalf of the Association, shall provide that such members of the Board, officer, employee or agent of the Association, or the management company, as the case may be, is acting only as agent for the Association and shall have no personal liability thereunder (except as a Unit Owner), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

Section 5. Cost of Indemnification. Any sum paid or advanced by the Association under this Article VI shall constitute a Common Expense and the Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article VI; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of any member of the Board, officer, employee or agent of the Association, or out of the aforesaid indemnity in favor of such member of the Board, officer, employee or agent of the Association, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements.

ARTICLE VII GENERAL PROVISIONS

Section 1. Copies of Notice to Mortgage Lenders; Rights of First Mortgagees.

(A) Upon written request to the Board of Directors by the holder of any duly recorded mortgage or trust deed against any Unit ownership, the Board of Directors shall give such mortgage holder a copy of any and all notices permitted or required by the Declaration or

these Bylaws to be given to the owner or owners whose Unit ownership is subject to such mortgage or trust deed.

(B) A first mortgagee of a Unit shall be entitled to written notice from the Association of any default by its mortgagor Unit Owner which is not cured within sixty (60) days. Any first mortgagee may from time to time request in writing a written statement from the Board of Directors setting forth any and all unpaid assessments due and owing from its mortgagor Unit Owner with respect to the Unit subject to the lien of its mortgage and such request shall be complied with within fifteen (15) days from receipt thereof. Any first mortgagee holding a mortgage on a Unit may pay any unpaid Common Expenses assessed with respect to such Unit and upon such payment, such first mortgagee shall have a lien on such Unit for the amounts so paid at the same rank as the lien of its mortgage.

Section 2. Service of Notices on the Board of Directors. Notices required to be given to the Board of Directors or to the Association may be delivered to any member of the Board of Directors or officer of the Association either personally or by mail addressed to such member or officer at his Unit.

Section 3. Service of Notices on Devisees and Personal Representatives. Notices required to be given any devisees or personal representatives of a deceased owner 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 owner is being administered.

Section 4. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 5. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Unit Owners, and their respective heirs, executors, administrators, successors and assigns.

Section 6. Notices of Mortgages. Any owner who mortgages his unit shall notify the Association, in such manner as the Association may direct, of the name and address of his mortgagee and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgage. The Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 7. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of these Bylaws, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect the rest of this Declaration.

Section 8. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by these Bylaws shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints or alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of George W. Bush, President of the United States of America, or Dick Cheney, Vice President of the United States of America.

Section 9. Definitions. The terms used in these Bylaws (except as herein otherwise expressly provided or unless the context otherwise required) for all purposes of these Bylaws and of any amendment hereto shall have the respective meanings specified in Article I of the Declaration.

Section 10. Amendments. Provisions of these Bylaws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than seventy-five percent (75%) of the voting power, provided, however, that no amendment shall have any effect upon Declarant, the rights of Declarant under these Bylaws and the rights of bona fide mortgagees of Units until the written consent of Declarant and/or such mortgagees to such amendment has been secured.

Section 11. Captions. The captions used in these Bylaws are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text hereof.

EXHIBIT 5

(Percentage Ownership Interest)

UNIT NUMBER	UNIT TYPE	PERCENTAGE OWNERSHIP INTEREST
8	Nantucket	14.285714 1/7%
9	Carlisle	14.285714 1/7%
19	Sutton	14.285714 1/7%
20	Nantucket	14.285714 1/7%
45	Carlisle	14.285714 1/7%
46	Sutton	14.285714 1/7%
47	Monteray	14.285714 1/7%
TOTAL		100%

EXHIBIT 6

(Copy of Management Agreement)



Management Agreement

Association: Nautical Ridge Condominium Owners' Association

Agent: MultiVest Management, Incorporated

Term: April 1, 2005 through March 31, 2007

MULTIVEST MANAGEMENT INC.

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This Agreement (the "Agreement") is made and entered into this First day of April, 2005 by and between the Condominium Association known as Nautical Ridge Condominium Owners' Association, Inc. (the "Association"), which is established in accordance with the laws of the State of Ohio, for the property known as Nautical Ridge Condominium Owners' Association, Inc. located in Fairport Harbor, County of Lake (the "Property"), and MultiVest Management, Inc. located at 4230 Chillicothe Road, Suite 200, Willoughby, Ohio 44094 (the "Agent").

NOW THEREFORE, in consideration of the mutual promises of the parties herein after contained and other consideration as stated, the parties hereby agree as follows:

AUTHORITY OF THE AGREEMENT

The Board of Directors of the Association (the "Board"), on behalf of the Association, hereby appoints Agent to manage the Property, and Agent accepts appointment to manage the Property.

SECTION I TERM OF AGREEMENT

The Board appoints Agent as exclusive Agent of the Association to operate and manage the Property, subject to the direction and control of the Board for a period of Two years, beginning April 1, 2005 and continuing until March 31, 2007. If this Agreement is not terminated as provided in Section IX, then this Agreement shall automatically renew for two years and can be terminated as provided in Section IX.

SECTION II AGENT'S DUTIES - GENERAL

Agent shall manage, operate, and maintain the Property of the Association to the extent, for the period, and upon the terms of this Agreement and under the direction of the Board. Specifically, but not by way of limitation, the Agent shall perform the following services in the name of and on behalf of the Association, and the Association hereby gives Agent the authority and powers required to perform these services.

2.1 MEETINGS

Agent will attend four (4) scheduled Board meetings as well as One (1) Annual meeting of the Association, per calendar year. Agent will assist in preparing agendas for meetings when requested. When directed, Agent will send formal notification of such meeting at the expense of the Association. When scheduling permits, Agent will attend additional Board or Association meetings, and shall receive additional compensation by the Association at the rate of Sixty Dollars (\$60.00) per hour. Agent will not be required to record the minutes of meetings.

2.2 POLICIES

Agent will assist the Board in the administration of provisions of Association instruments and the policies, rules and regulations promulgated by the Board. Agent will also assist the Board in drafting resolutions, rules and regulations which may from time to time be needed.

2.3 RULE ENFORCEMENT

Subject to the direction of the Board on behalf of the Association, Agent shall enforce the rules and regulations in the name of and on behalf of the Association, and the Association hereby gives Agent the authority and powers required to perform this service. Agent shall be entitled to charge an additional Sixty Dollars (\$60.00) per hour for attendance at any hearing scheduled for rule violations. The Board may thereafter, in the hearing, make the determination to assess the Unit Owner the said administrative costs.



2.4 INSURANCE COVERAGE

At the Board's direction and under its control, Agent shall assist in the selection of all Association insurance policies, at the Association's expense, for the various coverages required in the Declaration. The Agent assumes no liability for the adequacy or types of coverage.

2.5 INSURANCE CLAIMS/ACCIDENTS

At the cost of Sixty Dollars (\$60.00) per hour, Agent shall promptly investigate and make full written report as to all accidents or claims for damage relating to the operation and maintenance of the Association Common Areas, including any damage or destruction to the Common Areas of the Association property and the estimated cost of repair, and shall cooperate in having made any and all repairs required by any insurance company in connection therewith. Agent shall not be compensated for handling any accident or claim in an amount less than the insurance deductible. In any insurance claim which exceeds the deductible, Agent shall include its charges in the insurance claim. All claims over Five Thousand Dollars (\$5,000.00) refer to Section 10, paragraph 10.7. Agent shall not be responsible for insurance claims of the individual unit owner.

2.6 ANSWERING SERVICE

Agent will provide a 24-hour, 7 day-a-week, 365 days per year telephone answering service reliable response chain for communication with unit owners for emergency service within the Association's responsibilities. An emergency is defined as circumstances such as any life-threatening situation or any situation that would cause material damage to the property or constitute a danger to unit owners/residents. Association members will be advised that all non-emergency calls will be returned the next business day during normal business hours (8:30 a.m. to 5:00 p.m.).

2.7 ASSOCIATION CORPORATE RECORDS

Agent shall maintain a complete roster of unit owners and data necessary to properly administer the Association's affairs. Such roster shall at all times be available to Board Members. In addition, Agent shall keep the corporate record book and all corporate records of the Association, which shall include all original corporate minutes, contracts, and financial reports, etc. All records deemed to be old records will be placed in a secured off-site climate controlled storage facility at the rate of One Dollar (\$1.25) per month, per box of records, at the expense of the Association. The entire original corporate records shall be returned to the Board upon termination of this Agreement. All electronic records are deemed to be the property of the Agent.

2.8 CORRESPONDENCE FILE

Agent shall keep the Board advised of any business matters or obligations of the Association, including governmental matters, independent contractors, unit owners, and other individuals or entities with which the Association or its representatives have or should have a business relationship. Agent shall also keep accurate and permanent records of all substantive correspondence. All original records will be returned to the Board upon termination of this Agreement.

2.9 ON-SITE RESPONSIBILITY

Agent shall periodically have a representative on the premises of the Association during normal business hours, Monday through Friday, or as needed to effectively manage the Association.

2.10 CONTROL OVER INDEPENDENT CONTRACTORS

Agent shall hire and discharge such independent contractors as may be necessary to operate and maintain the Association property with any change to be approved by the Board.



2.11 DEVELOPER RELATIONS

This Agreement does not contemplate Agents's involvement with Developer related matters. Any such work shall require approval of the Board and be billed at the rate of Sixty Dollars (\$60.00) per hour.

2.12 ATTORNEY LIAISON

The Agent will serve as liaison between the Association and the Association's designated attorney regarding legal matters. Notwithstanding the general categorization of the Agent as an independent contractor, for purposes of any type of communication with the Association's legal counsel, the Agent shall be deemed the functional equivalent of an employee and the attorney-client privilege between the Association and its legal counsel extends to the Managing Agent

SECTION III AGENT'S DUTIES - MAINTENANCE

3.1 REPAIRS

Agent shall, at the Association's expense, and in accordance with standards established by the Board, cause the Common Areas of the Association to be maintained and or repaired. For any one item of repair, replacement, or refurbishing, the expense incurred shall not exceed the sum of One Thousand Dollars (\$1,000.00) unless specifically authorized by the Board, excepting, however, that emergency repairs involving damage to persons or property, or immediately necessary for the preservation and safety of the property or its residents, may be made by the Agent irrespective of the above cost limitation. Notwithstanding this authority as to emergency repairs, it is understood that the Agent will, if at all possible, confer immediately with the President of the Board regarding emergency expenditures, or if unavailable, any other Board Member.

3.2 CONTRACT SPECIFICATIONS

Agent shall prepare specifications for bids on contracts relating to snow plowing, landscaping, and painting, etc., if needed. Agent shall fully cooperate with consultants that may be retained by the Board, to draft specifications for specialized projects. Agent may also be requested to draft specialized specifications at a rate of Sixty Dollars (\$60.00) per hour.

3.3 BIDDING

When requested by the Board, Agent shall solicit three (3) bids for contracts relating to snow plowing, landscaping, rubbish removal, painting, etc., if applicable, and routine maintenance projects. Additional bids, beyond the first three shall result in Agent receiving compensation of Twenty Dollars (\$20.00) per hour.

3.4 CONTRACTS

The Board shall select the contractor. Agent and/or Board shall execute the contract, which shall be in the name of, and on behalf of, the Association. Agent shall furnish to the Board, a copy of every contract at the first Board meeting subsequent to its execution.

3.5 SUPPLIES

If applicable, Agent shall place orders and obtain such equipment, tools appliances, materials, and supplies which are necessary to maintain the Common Areas of the Association. All orders shall be in the name of the Association.



3.6 CREDITS

When taking bids or issuing purchase orders, Agent shall act at all times under the direction of the Board and shall be under a duty to secure for, and credit to, the Association any discounts, commissions, or rebates obtainable as a result of such contract or purchase.

3.7 SUPERVISION

All direct contact with independent contractors shall be through the Agent, except in an emergency. Board Members shall immediately notify Agent of any contact it has had with independent contractors. All independent contractors must provide proof of worker's compensation and liability insurance coverage with limits of One Million Dollars (\$1,000,000.00) unless waived by the Board.

The Board shall notify Agent in writing of any observations, complaints, suggestions, etc. relating to the quality of the performance of an independent contractor.

Agent shall enforce contractual obligations and/or warranties in accordance with the dictates of the Board.

SECTION IV AGENT'S DUTIES - ADVISING

4.1 STANDARDS

Agent shall advise the Board, in an attempt to operate and maintain the Common Areas of the Association property in a "First Class Condition", according to generally accepted industry standards.

4.2 CAPITAL IMPROVEMENTS

Agent shall, if it deems necessary, make recommendations for capital improvements and other improvements that would benefit the Association.

SECTION V AGENT'S DUTIES - FINANCIAL

Agent will develop, and recommend for Board approval, a financial program and operating budget.

5.1 ANNUAL BUDGET

Sixty (60) days prior to the beginning of each fiscal year, the Agent shall prepare a proposed budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year, taking into account the general condition of the property. The budget shall be submitted to the Board for its approval.

Agent shall operate within said total budget, and there shall be no substantial variance therefrom, unless specifically authorized by the Board. By this is meant, no expense may be incurred or commitments made by Agent in connection with the maintenance and operation of the Association in excess of the total amounts allocated to the various classifications or expense in the approved budget without the proper consent of the Board, except that if necessary, because of an emergency or lack of sufficient time to obtain such proper consent, an overrun may be experienced, provided it is brought promptly to the attention of the Board.



5.2 FINANCIAL RECORDS

Agent shall maintain records, books, and accounts, which shall be subject to examination by the Board without charge, and by unit owners or their authorized agents with prior notice, during normal business office hours; and at a fee of Thirty Dollars (\$30.00) per hour to Agent from the requesting unit owner if the Agent has been requested to be present during the examination of the records. The original of all records is deemed to be the property of the Association. All copies requested will be at the cost of Ten (.10¢) Cents per copy.

5.3 MONTHLY FINANCIAL REPORT

Agent shall render to the Board, on or before the Twentieth (20th) day of each month, a fund accounting monthly statement of cash receipts and disbursements, income statement, monthly and year to date budget comparison, and a check register listing all checks issued during the prior month. The final year-end statement will not be submitted until all closing information is received, but no later than Ninety (90) days following the year-end.

5.4 METHOD OF BILLING

Monthly Association fee statements will be mailed to each unit owner of record, or the Board may elect to use coupon books. Either form of invoicing shall incur an administrative late fee as follows; All payments not received by the Tenth (10th) or Fifteenth (15th) of the month shall be assessed an additional administrative late fee based upon the Association's collection policy and /or Board directive.

5.5 MAILING EXPENSES

All mailings will be at the expense of the Association including cost of paper, envelopes, and postage, with the exception of the monthly Association fee statements and the monthly financial statement which shall be at the Agent's expense.

5.6 DELINQUENT ACCOUNTS

The Board shall institute such legal action as may be required for the collection of delinquent unit owner accounts. The Association shall be responsible for all legal and court costs. The Agent will assist the Board and/or the Association's legal counsel in recovering any delinquent accounts on behalf of the Association.

5.7 ACCOUNT INSURANCE

Agent shall establish and maintain, in a financial institution (bank or savings and loan) whose deposits are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or otherwise as the Board may direct, and in a manner to indicate the custodial manner thereof, an account as Agent of the Association for deposit oONLY Association funds, with authority to draw thereon for any payments to be made by Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and the payment of Agent's fee. Reserve Funds of the Association may not be withdrawn or transferred without Board approval. All payments shall be made by check and all accounts held under the Association's Federal Identification Number.

5.8 FEDERAL FILINGS REQUIRED

If applicable, Agent shall, at a cost of the Association, cause the preparation of returns required by law in connection with unemployment insurance, disability benefits, Worker's Compensation Insurance, Social Security benefits, and other similar taxes now in effect or hereinafter imposed. The Agent's fee for this service is One Hundred Twenty-Five Dollars (\$125.00) In addition, the Agent will assist the Association's accountant in preparing the annual corporate tax returns. The cost of the accountant shall be the responsibility of the Association.

5.9 FINANCIAL QUESTIONS

The Agent's responsibility to unit owner questions pertaining to the financial affairs of the Association shall be limited to the account of the individual unit owner. All other owner inquiries will be referred to the Board and/or the Association's accountant for a response.

SECTION VI ANNUAL INDEPENDENT REVIEW

The Agent will cooperate with the Association's Certified Public Accountant in the performance of an audit or review which has been authorized by the Board.

SECTION VII BONDING AND INSURANCE OF AGENT**7.1 BONDING**

Those employees of the Agent who handle or are responsible for the handling of the Association's monies shall, at the expense of the Agent, be covered by employee dishonesty insurance through the Agent's insurance carrier. Upon written request from the Board, a copy of said employee dishonesty insurance will be provided. Bonding, if required by the Association, shall be obtained at the Association's expense.

7.2 INSURANCE

The Association shall cause its public liability insurance to be written so as to protect the Managing Agent in the same manner and extent as the Association, Board of Managers, and Unit Owners. The limits of said insurance shall be not less than One Million Dollars (\$1,000,000.00) in respect of any one occurrence, and One Million Dollars (\$1,000,000.00) in respect of damage to or destruction of property arising out of any one occurrence. Agent shall be named as an additional insured on the Association's policy.

SECTION VIII LIMITATION OF LIABILITY, INDEMNIFICATION**8.1 AGENCY RELATIONSHIP**

Everything done by Agent under the Agreement shall be done as, Agent of the Association, and all obligations or expenses incurred thereunder shall be for the account, on behalf and at the expense of the Association, except that Association shall not be obligated to pay the overhead expenses of the Agent's office. Any payments to be made by Agent thereunder shall be made out of such sums as are available in the accounts of the Association. Agent shall not be obligated to make any advance to or for the account of the Association or to pay any sum except out of funds held or provided as aforesaid, nor shall Agent be obligated to incur any liability or obligations for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.



8.2 ACTS OF AGENT

Agent, its officers and employees shall be responsible for their own acts of willful or wanton misconduct and/or negligence, errors and omissions, if not covered by the Association's policy of insurance. A copy of insurance coverage shall be provided to the Association upon a written request from the Board.

8.3 ACTS OF OTHERS

Association agrees to save Agent harmless, to the limits and extent of its liability insurance, for any actions or claims of a third party arising out of Agent's performance of its duties under this Agreement. Neither Agent, its officers, or its employees shall be responsible for any acts, including the willful or wanton misconduct or gross negligence of contractors hired by Agent pursuant to this Agreement. Association agrees to save Agent harmless in any claim or action of third parties arising out of any violation or alleged violation by the Association, unit owner, or employees, of any law, ordinance, regulation, or order of any governmental authority. The Association agrees to defend, at its own cost, any action arising from the foregoing and to indemnify Agent for losses suffered therefrom.

8.4 REPRODUCTION/DISTRIBUTION LIMITATIONS

Association will not reproduce or distribute any forms, specifications, or concepts provided to the Association by Agent to third parties without prior written permission of Agent.

SECTION IX TERMINATION

This Agreement may be terminated, with or without cause at the end of the initial term by the Board on behalf of the Association, upon a ninety (90) day written notice to the Management Agent sent by certified or registered mail prior to the end of the initial term of this Agreement, or at the end of any renewal term, and by the Management Agent upon a ninety (90) day written notice to the Board of Managers sent by certified or registered mail prior to the end of the initial term of this Agreement, or at the end of any renewal term.

9.1 TRANSITION PROCEDURE

Upon receipt of notice of termination, Agent agrees to follow the transition procedure as adopted by the Northern Ohio Chapter of the Community Associations Institute.

SECTION X AGENT COMPENSATION

10.1 BASE FEE

The base fee compensation which the Agent shall be entitled to receive from the Association for services performed under this Agreement shall be a fee payable monthly in the amount of Three Hundred Dollars (\$300.00) until the Twenty-Second (22) unit is constructed. After which, both parties agree, that the Agent's compensation shall be Fourteen Dollars (\$14.00) per unit, per month beginning the first of the month proceeding the construction of the Twenty-Second unit. Payment is due on the first (1ST) of each month for the month's services.

10.2 NEWSLETTERS

Upon the Board's request, Agent shall prepare a newsletter at the cost of \$35.00 per newsletter, plus the cost of postage for mailing to all owners/residents.



10.3 SECRETARIAL SERVICE

Upon the Board's request, Agent shall provide a secretary to take the minutes of the regular Board meetings and the annual meeting at a cost of Sixty Dollars (\$60.00) per meeting.

10.4 FACSIMILES

All facsimiles will cost One Dollar (\$1.00) per page, billed to the Association.

10.5 COPIES

Agent will supply white photocopies at the cost of Ten Cents (10¢) per copy, billed to the Association. Photocopies on colored paper will cost Fifteen Cents (15¢) per copy, billed to the Association.

10.6 PROMULGATING RULES AND REGULATIONS

Agent will assist the Board in promulgating rules and regulations pertaining to the Association's Declaration and Bylaws at a cost of \$500.00 plus printing expense.

10.7 EXTRAORDINARY SERVICES

It is agreed that one of the Managing Agent's duties is to oversee and/or supervise the normal daily maintenance and repair of the Common Areas of the Association. But should there be an abnormal occurrence as fire or windstorm, causing damage in excess of Five Thousand Dollars (\$5,000.00) to the Common Areas of the Association, the cost of supervising the repair of such damage and the insurance claim adjustments is not included in the Agent's compensation provided for above. Likewise, the cost of supervising abnormal repairs (e.g. roof replacement, etc.) and improvements which exceed a cost of Five Thousand Dollars (\$5,000.00) is not included in the Agent's compensation. Should the Agent undertake the settlement of insurance claims and/or the supervision of the repairs or improvements enumerated in the sub-section, Agent's compensation for these additional services shall be at the rate of Ten percent (10%) for insurance claims and 5% of the total cost of any abnormal repairs. The Agent recognizes that in some cases the damage requiring repair may be minor in nature and in such cases there will be no additional charge for supervision.

10.8 *THE FOLLOWING DISCLOSURE INFORMATION IS OFFERED BY MULTIVEST MANAGEMENT, INC. FOR THE PURPOSE OF INFORMING THE ASSOCIATION OF MULTIVEST MAINTENANCE, CLEANING AND LANDSCAPING DIVISIONS.*

Agent from time-to-time may use related businesses to assist the Association in services. When bids are solicited with related business operations involved, sealed bids are required and mailed directly to the President of the Association. Present subsidiary companies perform light building maintenance to major building renovations, cleaning of the Common hallways, laundry rooms, rest rooms, guest rooms, party rooms, restaurants, etc. In addition, our full service landscaping division can fulfill your landscape needs from weekly lawn maintenance to major landscape installations. Acceptance of this Agreement is acknowledgment of the related companies and approval of their use for the Association if selected by the Board.



10.9 MULTIVEST MAINTENANCE

Relative to building maintenance of the Common Areas of the Association, MultiVest Management, Inc. will provide personnel on an as needed basis pursuant to the hourly rate schedule listed below for maintenance, or will provide a proposal for major repairs and/or replacements.

The following rate is for non-contract services, Monday through Friday 8:30 a.m. to 5:00 p.m.

Full Service Maintenance Individual.....\$35.00 per hour.

Premium time is based on time and one-half.....\$52.50 per hour.

(Premium time is any time after 5:00 p.m., Weekends and Holidays)

10.10 MULTIVEST CLEANING AND CUSTODIAL SERVICES

Relative to the cleaning and custodial services of the Common Areas of the Association, MultiVest Management, Inc. will provide cleaning /custodial personnel on an as needed basis pursuant to an hourly rate or at a competitive contracted price.

10.11 MULTIVEST LANDSCAPE MAINTENANCE

Relative to the lawn/shrub maintenance of the Common Areas of the Association, MultiVest Management, Inc. will provide lawn and shrub maintenance on a contracted basis or on an as needed basis pursuant to a competitive rate.

10.12 DISHONORED NEGOTIABLE INSTRUMENTS

Where Agent is required to process NSF or other dishonored negotiable instruments, Agent shall be entitled to a fee of Fifteen Dollars (\$15.00) per instrument so handled, and the charge for such special handling shall be applied to the owner's account. Any bank charges the Association incurs will also be added to the owner's account.

10.13 ESCROW DEMAND AND TRANSFER FEES

Agent shall process Escrow Demands, rendering information on status of homeowner's account, insurance coverage, closing confirmation of account and process Association owner records changes at fees to be billed to Seller. These fees are One Hundred Dollars (\$100.00) per escrow demand chargeable to the Seller. In addition, we will provide a copy of the Declaration, Bylaws and, if applicable, a Rules and Information Handbook to the purchaser at no additional cost.



10.14 SERVICES INVOLVING LITIGATION

This includes, but is not limited to, litigation between the Association and its developer, any small claims court action by or against the Association, any injunction suit by or against an individual unit owner, any bankruptcy proceeding, or otherwise. Any such service shall be compensated at the rate of Sixty Dollars (\$60.00) per hour, and unless required by Court Order, shall only be rendered by Agent on the prior request and authorization of the Board of Managers. Subject to the exclusive following, where Agent is named a Defendant in a litigation suit as a result of its activities as Agent for the Association, the Association will defend Agent, its Officers, Directors, and employees. Agent shall be compensated for such cost of litigation both as to actual costs incurred and at the rate of Sixty Dollars (\$60.00) per hour, the Association and Agent further agree that should the highest court of competent jurisdiction hearing the case render a judgment against the Agent resulting from Agent's negligent or intentional act or failure to act, Agent shall be entitled to receive no compensation under this paragraph hereof for services performed in preparation of said litigation for defense or for the time actually spent in court, hearing or otherwise. The provisions of this paragraph shall survive the termination of the Agreement. The Association shall not be liable for payment of any above stated fees should the Association be involved in litigation against the Agent.

10.15 EXTRAORDINARY SERVICE BILLING

All charges for extraordinary services, as provided herein above, will be billed to the Association within ninety (90) days of rendering such service.

SECTION XI NOTICES

All notices required hereunder shall be in writing and shall be deemed given if delivered in person or mailed certified or registered mail addressed as follows:

To the Association President

To the Managing Agent

MultiVest Management, Inc.

4230 Chillicothe Road, Suite 200

Willoughby, Ohio 44094

SECTION XII ASSIGNABILITY

This Agreement shall inure to the benefit of, and constitute a binding obligation upon, the parties hereto. This Agreement is *not assignable* without the prior written consent of the Board.



SECTION XIII ENTIRE AGREEMENT

- 13.1 This Agreement shall constitute the entire Agreement between the contracting parties and no variance or modification thereof shall be valid and enforceable except by a supplemental Agreement in writing, executed and approved in the same manner as this Agreement.
- 13.2 For the convenience of the parties, this Agreement has been executed in several counterparts which are in all respects identical and each of which shall be deemed to be complete in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterparts.
- 13.3 The information contained in this Agreement is confidential between the contracting parties and all parties agree not to disclose the content of this Agreement to third parties.

IN WITNESS WHEREOF, the parties hereto have set their hands this 19 Day of April, 2005.

Signed in the presence of:

[Signature]

MultiVest Management, Inc.

By: [Signature]

James G. DeSalvo, President/CEO

Signed in the presence of:

Nautical Ridge Condominium Owners' Association

By: [Signature]

Board President

By: [Signature]

Board Secretary



CONSENT OF MORTGAGEE

The undersigned, Fifth Third Bank is mortgagee of Phase I Parcel described in the within Declaration of Condominium Ownership for Nautical Ridge Condominiums, Fairport Harbor, Ohio, by virtue of the mortgage recorded on March 29, 2005, as Instrument No. 2005R012045 of Lake County Records.

The undersigned hereby consents to the execution and delivery of the foregoing Declaration of Condominium Ownership, with the Bylaws and Drawings as exhibits thereto, and to the filing thereof in the Office of the County Recorder of Lake County, Ohio, and to the provisions of Chapter 5311 of the Ohio Revised Code.

FIETH THIRD BANK

Thomas A. Berkeimer ^{VP}
By: THOMAS A. BERKEIMER
VICE PRESIDENT

Mark H. Oldfield
By: MARK H. OLDFIELD
Vice President

STATE OF OHIO)
) SS.
COUNTY OF LAKE)

BEFORE ME, a Notary Public, in and for said County and State, personally appeared THOMAS A. BERKEIMER ^{VP} its
 VP and by MARK H. OLDFIELD, its
 VP who, having been first duly sworn acknowledged that they did execute the foregoing instrument and that the same was their free act and deed individually and as such officers and the free act and deed of the said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, this 4 day of April, 2006.

Rose Ann M. Stone
Notary Public

THIS INSTRUMENT PREPARED BY:

James V. Aveni, Esq., Ranallo & Aveni LLC, Attorneys And Counselors At Law, 6685 Beta Drive, Cleveland, Ohio 44143,

Rose Ann M. Stone
Notary Public for the State of Ohio
Recorded in Cuyahoga County
My Commission Expires July 14, 2008

