

Section 2.02: Statutory Terms. Other words and phrases may have specific meanings defined in statutes or other Applicable Law. Unless those words or phrases are defined differently as a defined term in Exhibit C, those words and phrases are intended to retain the meaning provided in Applicable Law.

Section 2.03: Other Words and Phrases. All other words and phrases are intended to have their common, ordinary meaning. If there is a question concerning the meaning of any of these other words or phrases, then the definition provided in the most recent version of *Webster's Dictionary* in effect on the date of this Declaration will apply in interpreting this Declaration.

Section 2.04: Incorporation of Governing Documents. This Declaration is intended to be comprehensive and thorough, but it must be read, applied and enforced in conjunction with all of the other Governing Documents. It is not practical, however, to include all of the terms, conditions, rights and obligations provided in the other Governing Documents in the body of this Declaration, or as exhibits attached to this Declaration. Therefore, all of the other Governing Documents are incorporated into this Declaration by reference, and are made a material part of this Declaration to the same extent as if they were completely rewritten in this Declaration, or were attached to this Declaration as exhibits. This Section will be deemed to be conclusive and binding constructive notice on every Person of the existence of all of the other Governing Documents, regardless of whether or not all or any of those Governing Documents are ever recorded in the public records. By accepting a deed to a Lot in the Community, every Owner will be deemed to have notice of, to consent to, and to agree to be unconditionally bound by, all terms, conditions, rights and obligations of each and every Governing Document, whether now in existence or created in the future, and including all future amendments to any of the Governing Documents. All of the Governing Documents will be available for inspection by any Owner, any purchaser under contract to buy a Lot in the Community, or any prospective purchaser, during the Association's normal business hours. Further, any Owner, or any purchaser under contract to buy a Lot in the Community, may obtain a copy of all or any portion of the Governing Documents upon written request to the Association and payment of any applicable charge for the copy.

Section 2.05: Interpretation. Proper interpretation of all of the Governing Documents relating to Stonehill Village is important to assure the continuity and unending success of the Community as a whole. By accepting their deed to a Lot in the Community, each Owner recognizes and agrees that a traditional strict

interpretation of the Governing Documents in favor of individual property rights would have a detrimental effect on the collective rights and legitimate expectations of all Owners in the Community. Therefore, this Declaration, and all of the other Governing Documents, must be liberally construed in a manner that will best reflect the Developer's intent, goals and objectives, and achieve the fundamental purpose of establishing a uniform plan for the creation and operation of a unique and desirable Community. The Developer will have the exclusive power and discretion to resolve any questions concerning the proper interpretation of the Governing Documents. After the Development Period, the Board of the Association will have this power and discretion. The interpretive decisions of the Developer and the Board will be final and binding on all Persons.

Section 2.06: Exercise of Discretion. Many aspects of the Governing Documents, and other decisions regarding the appropriate development and operation of the Community, require decisions that involve careful thought, analysis and exercise of discretion concerning what is in the best interests of the Community as a whole in light of the Developer's underlying intent, purposes and goals as reflected in this Declaration. Therefore, unless a different standard is specifically stated in a particular provision, whenever any provision of this Declaration, or any of the other Governing Documents, requires or permits a judgment, decision or determination by the Developer, the Developer will have the sole, absolute and exclusive power and discretion to make the judgment, decision or determination without any notice to or consent of any other Person. This standard will apply whether or not it is specifically stated in the provision requiring or permitting the judgment, decision or determination. Further, the standard in this Section will apply to all judgments, decisions or determinations of the Association, Board, any Neighborhood Society or Council, or Design Review Board where action by any of those entities is required or permitted.

PART TWO - DEVELOPMENT PLAN

The comprehensive development plan establishes an understanding of how all of the pieces of the development puzzle will fit together to create the Community. Further, the development plan gives broader insight into how the Developer intends to achieve the goals and objectives associated with the Community.

**ARTICLE III
OVERVIEW**

Section 3.01: General Plan. As stated in Part One of this Declaration, the Master Concept Plan is the current land use plan for the Property. In a legal context, it shows the types of uses that the present Township zoning resolution permits for respective areas of the Property. From a conceptual standpoint, it illustrates the spacial relationship of the various components the Developer currently anticipates incorporating into the Community. The Master Concept Plan is not a concrete, inflexible document. Types of uses may change or be completely eliminated, and the relationship of one use to another may be modified. All changes are subject to Applicable Law, and will comply with zoning and subdivision regulations. More specific details of the respective areas will evolve as the Developer records Plats for those areas. Therefore, the Master Concept Plan must be understood as a flexible, conceptual model for the Community based upon the Developer's present intentions.

Section 3.02: Composition of the Community. The Community is a combination of various Neighborhoods and Common Areas. Neighborhoods are groups of Lots that share common characteristics, such as type of permitted use, size, design requirements, or simply location within the Community. The next Article of this Declaration describes the different types of Neighborhoods in more detail. Each Lot within a Neighborhood is a separate parcel of real estate that will be the individual property of an Owner. Common Areas, to the contrary, are portions of the Community that will be developed and maintained for the mutual use and enjoyment of more than one Owner. Most Common Areas will be for the general benefit of the Community as a whole. Some Common Areas, however, will serve only limited Neighborhoods or members of the Community. Part Three of this Declaration describes the rights and obligations associated with the Common Areas. The Community, therefore, is the overall relationship among the Lots in the various Neighborhoods in connection with the Common Areas, combined with the social relationships of the people who live and work in the Community.

Section 3.03: Management of the Community. The Developer has formed the Association to serve as the private governing body over the entire Community. Each Owner will be a Member of the Association. However, the structure of the Association is designed to facilitate varying levels of participation by Members, so that it remains a beneficial organization and does not become a burden for those who may choose to

VOL. 1307 PG 277

be less active in the affairs of managing the Community. The function and operation of the Association are described in more detail in Part Six of this Declaration.

Section 3.04: Management of the Neighborhoods. As each Neighborhood is created, the Developer will also form an organization for the management of that Neighborhood. These organizations will each be referred to as a "Society," simply to avoid confusion with the main Association of the Community. The Owners of the Lots in a Neighborhood will be the Members of the Society for that Neighborhood. The Societies will have general authority over the respective Neighborhoods, but that authority will be subordinate to the rights and obligations of the Association. The Societies will also hopefully serve as a mechanism to foster closer social relationships among the Owners in each Neighborhood. The rights and responsibilities of each Society are also explained further in Part Six of this Declaration.

Section 3.05: Effect of Master Declaration. This Declaration is the fundamental Governing Document for the Community. The Developer has recorded this Declaration over the entire Property at one time to assure a more uniform application of the overall development plan. It is analogous to a blanket, under which all components of the Community will develop and grow over time. However, until a particular Phase of a Neighborhood in the Community is actually developed by recording a Plat, the Master Declaration will remain dormant. This means that, although the Master Declaration is an encumbrance on title to the Property now, it will only become effective and enforceable with respect to those portions of the Property that are activated as a functioning part of the Community by recording a Plat of the Phase then being activated. The Master Declaration will remain dormant and unenforceable against the Developer with respect to those portions of the Property that are not then Platted. The process of activating Phases is explained later in the Article entitled Addition of Property in this Part Two of the Declaration.

Section 3.06: Phasing of Project. The Developer will develop the Property in multiple Phases. Each Phase will be of the size and in the location that the Developer determines to be appropriate at the time. A Neighborhood may be developed in one or more Phases, and more than one Phase may be under development in one or more Neighborhoods at the same time. Completion of the sequence of Phases will eventually complete the various Neighborhoods and, in turn, the full Community.

Section 3.07: Developer's Discretion. The Developer reserves and retains for itself the exclusive discretion and control concerning all decisions, judgments, actions and all other aspects directly or indirectly relating to the development of the Property. This

includes, without limitation, modification of the Master Concept Plan; determination of whether or not, or when, to develop any particular Phase, Neighborhood, Common Area or other amenity shown on the Master Concept Plan or referred to in any of the Governing Documents; determination and implementation of the size, configuration, composition, location, sequence and construction of each Phase, Neighborhood and Common Area; additional rights, covenants, conditions and restrictions that may be applied to any Phase or Neighborhood through a Supplemental Declaration; and all other matters pertaining to any portion of the Property that has not yet then been Platted. The Association, and the Society of any Neighborhood, will only have authority over those Phases of the Community that have been activated as functional parts of the Community by recording of the respective Plats. The rights and powers of the Association and all Neighborhood Societies will be subordinate to the discretion, rights, powers and authority of the Developer throughout the entire Development Period, as provided in later Parts of this Declaration.

**ARTICLE IV
TYPES OF NEIGHBORHOODS AND USES**

Section 4.01: General Explanation. The Master Concept Plan shows the anticipated location and various types of Neighborhoods, as well as the projected types and locations of Common Areas and other uses of the Property. This Article provides a general description of the different types of Neighborhoods and uses. Essentially, there are two types of Neighborhoods: Residential Neighborhoods and Business District Neighborhoods. Portions of the Property will also be devoted to other uses and purposes that are not considered separate Neighborhoods, but may serve as amenities to one or more Neighborhoods, or may otherwise be beneficial to the Community as a whole. The Developer reserves the right, to the extent permitted by Applicable Law, to create one or more mixed use Neighborhoods that combine residential and business uses if, in the Developer's sole discretion, this type of Neighborhood would be beneficial to the Community. The Developer further reserves the right to create or eliminate other uses of those portions of the Property that are not already then incorporated into a particular Neighborhood.

Section 4.02: Residential Neighborhoods. There are several possible types of Residential Neighborhoods, each of which is differentiated primarily on the basis of Lot density (the number of Lots per acre of land). A particular Residential Neighborhood may contain one or more types of Lot density. The Owners of Lots in the different types of Residential Neighborhoods may have different rights concerning the use of

VOL. 13117 PG. 279

some Limited Common Areas, and different obligations regarding Assessments. However, in most cases, all of the Owners of Lots in the same Neighborhood will have the same rights and obligations. Some Residential Neighborhoods may also be devoted to rental units, rather than ownership by the Occupant. The rights and obligations of the Owners and Occupants in the rental Residential Neighborhoods will be further clarified in a Supplemental Declaration, if the Developer creates such a Neighborhood. The following subparagraphs of this Section explain the basic types of Residential Neighborhood in more detail.

- A. Low Density Residential. Low density Residential Neighborhoods will have an average not to exceed one to two dwelling units per acre. These Neighborhoods will be for construction of single family residences.
- B. Medium Density Residential. Medium density Residential Neighborhoods will have an average of three to four dwelling units per acre. These Neighborhoods will also be for construction of single family residences, and may include detached patio homes and detached senior adult housing.
- C. High Density Residential. High density Residential Neighborhoods will have an average of five to a maximum of eight dwelling units per acre. These Neighborhoods will be for construction of multi-family residences. This may include condominium units, townhouses, apartments, senior adult housing apartments, and senior adult assisted living and nursing home care facilities.

Section 4.03: Business District Neighborhoods. The Developer contemplates inclusion of several Business District Neighborhoods throughout the Community. The focal Business District Neighborhood is the Village Center, with its central location and Village Green feature. The Business District Neighborhoods are an integral component of the Community because they will enable the convenient availability of necessary and beneficial goods and services to the residents of the Community. These Neighborhoods will contain a mix of retail, service and office businesses. The Developer will determine the actual permitted business uses as the Business District Neighborhoods are developed, subject to Applicable Law.

Section 4.04: Public School Property. The Master Concept Plan also contemplates the dedication of a portion of the Property for use as a public school. The Developer has included this as a prospective use in anticipation of the student population impact the Community may have on the local school district. The actual location of the school property and the timing of the dedication of that portion of the Property will be

terms, covenants, conditions and restrictions in this Declaration to the same extent as if that property had been part of the Property described in this Declaration.

Section 5.04: No Consents Required. The Developer will have the sole and absolute discretion to take any of the actions described in this Article at any time and for any reason without the prior or later notice to or consent of any Person. The Developer will further have the right to sign and acknowledge any documents or instruments relating to any of these actions on behalf of itself and all other Persons who may have an interest in the Property or that Phase of the Property effected by the action, pursuant to the power of attorney provisions in Part Nine of this Declaration.

ARTICLE VI DEDICATION OF PROPERTY

Section 6.01: Reservation of Right to Dedicate. Development of the Property in the manner contemplated in this Declaration requires the dedication or creation of certain property interests to Government Entities or other Persons. Therefore, in addition to the easements created later in Part Two of this Declaration, the Developer reserves the right to dedicate, or to grant easements, licenses, or other real property rights or interests, for any purpose to or for the benefit of any Government Entity or Person (including to itself) prior to or in conjunction with the Plat of any Phase, without the consent of any other Person. After recording a Plat, the Developer's rights under this Article with respect to that Phase will only apply to any Lot of which the Developer is still the Owner. After expiration of the Development Period, the reservation of rights to make dedications and other grants as provided in this Article will be exercisable by the Association, but only with respect to Common Areas under the ownership and control of the Association. The rights reserved by the Developer and the Association in this Article are exercisable in their sole and absolute discretion. Without limiting the rights reserved in this Section, the remaining Sections of this Article describe specific types of dedications and other grants the Developer currently anticipates making in connection with development of the Property.

Section 6.02: Public Streets and Utilities. The Developer reserves the right to dedicate public streets, and to dedicate or grant easements for Public Utilities, within the Community. All dedications and Easement Areas for Public Utilities will be shown on the Plat of the Phase or Phases to which they relate.

Section 6.03: Public School Property. The Developer further reserves the right to dedicate a portion of the Property to the Beaver Creek City School District, or its successor local public school district, for the purpose of establishing an elementary

regarding the subdivision, split or combination of any Lot during the Development Period in the manner and to the extent provided in this Declaration.

Section 7.03: No Unauthorized Condominiums. No Person except the Developer will have the right to subject a Lot, portion of a Lot, or combination of Lots, to the Condominium Laws under the *Ohio Revised Code* or other Applicable Law without the Developer's prior written consent. After expiration of the Development Period, no Person will have the right to subject a Lot, portion of a Lot, or combination of Lots, to the Condominium Laws under the *Ohio Revised Code* or other Applicable Law without the prior written consent of the Board of the Association. The Developer or the Board may grant or withhold its consent for any reason, or without any reason, in its sole and absolute discretion.

Section 7.04: Division of Ownership Interests. Nothing in this Declaration prohibits the division, sale, gift, or other transfer of the intangible ownership interests in any Lot among two or more Persons, or among the beneficial owners of any interest in any form of legal entity who is the Owner of a Lot, whether voluntarily, by operation of law or by judicial order. The purpose of this Section is to assure that the Owners of Lots will retain complete flexibility to adjust their ownership interests in their Lot without the need to partition, subdivide, split, combine or create a condominium of any Lot in violation of the other provisions of this Declaration.

ARTICLE VIII **PROPERTY RIGHTS**

Section 8.01: Nature of Rights in Lots. An Owner is the holder of fee title to a Lot in the Community, together with all rights, interests and privileges appurtenant or incidental to that fee title. No Person will be considered to be an Owner for purposes of the Governing Documents if that Person holds only equitable interests in the Lot, or an interest as security for an obligation, and not fee title to that Lot. As an illustration, but without limitation, a Person who is a purchaser of a Lot under a land installment contract holds only an equitable interest in the Lot until the contract is completed and the prior Owner has conveyed fee title for the Lot to the purchaser. Similarly, a mortgagee holds an interest in a Lot to secure payment of an obligation, and is not the Owner of that Lot by reason of holding a mortgage on it.

Section 8.02: Nature of Rights in Common Area. An Owner's rights in the Common Areas is a non-exclusive easement to access, use and enjoy the Functioning Common Areas in the manner and for the purposes specifically provided in the Governing Documents. No Person, other than the Developer and the Association or respective

Societies, will have any fee title ownership interest in any Common Areas. The scope of an Owner's rights and obligations in the Common Areas is described in more detail in Part Three of this Declaration.

Section 8.03: Not Divisible From Fee Title. Every Owner's rights in the Common Areas, and status as a Member of the Association or the Society of any Neighborhood, is an incident of ownership of a whole or fractional fee title interest in a Lot in the Community. No Owner may divide, give, sell, assign, delegate, convey or otherwise transfer all or any part of the Owner's rights in the Common Area or Membership in the Association or the Society of any Neighborhood separate and apart from fee title to that Owner's Lot, whether voluntarily, involuntarily, by operation of law, or by court order.

Section 8.04: Right to Compliance Certificate. Every Owner who is selling a Lot, or the prospective purchaser of any Lot, has the right to request a Compliance Certificate from the Association prior to closing on the purchase of the Lot. The purpose of the Compliance Certificate is to disclose the current status of pending violations or delinquencies of any of the Governing Documents attributable to the Owner selling the Lot, or otherwise relating to or affecting the Lot. The Association will, within Twenty (20) Business Days after receipt of the purchaser's written request, provide the purchaser with a Compliance Certificate, valid through the date on which the Certificate is issued. The Association may make a reasonable charge for the issuance of a Compliance Certificate, which must be paid at the time of submitting the request for the Compliance Certificate. If the Compliance Certificate fails to reveal any violations or delinquencies that in fact existed prior to the effective date of the Compliance Certificate, then neither the Association nor any Owner will be permitted to enforce those undisclosed violations or deficiencies against the subsequent Owner after closing on the purchase of that Lot. However, if the prospective purchaser fails to properly and timely request a Compliance Certificate, or if the purchaser closes on the purchase of that Lot without adequate written proof that the violations or delinquencies disclosed on the Compliance Certificate were resolved to the satisfaction of the Association, then all disclosed violations and delinquencies will remain appurtenant to the Lot and will become the personal liability of the subsequent Owner. The Association will have the right to pursue all remedies available to the Association as provided in the Governing Documents. The Developer encourages every prospective purchaser to take advantage of the rights granted in this Section.

VOL 13076285