

Section 46.07: Reservation of Right to Delegate. The Developer reserves the right to assign or delegate to any other Person the right to exercise all or any portions of the Developer's rights, powers and authority under this Declaration, and any of the other Governing Documents, on such terms and for such periods of time as the Developer may determine. Any such assignment or delegation must be in writing and signed by the Developer, or its authorized agent. No assignment or delegation under this Section will reduce or limit the right of the Developer to exercise that right, power or authority concurrently or independently, or expand the right, power or authority so assigned or delegated beyond the scope properly exercisable by the Developer.

Section 46.08: No Waiver. The failure of the Developer to exercise any right, power or authority granted to or reserved by the Developer under this Declaration, or any of the other Governing Documents, will not constitute a waiver of the Developer's right to exercise that right, power or authority at any time, whether under the same or different circumstances, or under any existing, concurrent or subsequent events.

ARTICLE XXXXVII
DEVELOPMENT PERIOD AND TRANSITION

Section 47.01: Commencement and Termination. The Development Period will commence on the date this Declaration is recorded in the office of the Greene County Recorder. The Development Period will terminate on the earlier of: (i) the date on which the Developer, any Related Entity or any Founding Member no longer owns any portion of the Property, including without limitation any Exempt Property or Voidable Property; or (ii) the date on which the Developer voluntarily relinquishes all of its rights and authority under this Declaration in a written instrument, signed by the Developer and recorded in the office of the Greene County Recorder, which specifically states that the Developer intends to terminate the Development Period; or (iii) the date which is Forty (40) years after the date on which this Declaration is recorded in the office of the Greene County Recorder.

Section 47.02: Transition With Respect To Neighborhood Societies. Upon the formation of any Neighborhood Society, the Developer will appoint all members of that Neighborhood Council. Within Sixty (60) days after conveyance of Twenty-Five Percent (25%) of the total Lots to be included in a particular Neighborhood to Owners other than the Developer or any Builder, the then current Members of that Neighborhood Society may elect One (1) member of the Council for that Neighborhood. Within Sixty (60) days after conveyance of Fifty Percent (50%) of the total Lots within a particular Neighborhood to Owners other than the Developer or any Builder, the then

current Members of that Neighborhood Society may elect a total of Two (2) members of the Council for that Neighborhood. Within Sixty (60) days after conveyance of Seventy-Five Percent (75%) of the total Lots within a particular Neighborhood to Owners other than the Developer or any Builder, the then current Members of that Neighborhood Society may elect a total of Three (3) members of the Council for that Neighborhood. Upon conveyance of the final Lot within a particular Neighborhood to an Owner other than the Developer or any Builder, the Members of that Neighborhood Society may elect all members of the Council for that Neighborhood.

Section 47.03: Transition With Respect to Association. Upon the formation of the Association, the Developer will appoint all members of the Board. After conveyance of Seventy-Five Percent (75%) of the total Lots within a particular Neighborhood to Owners other than the Developer or any Builder, the Voting Member representing that Neighborhood will automatically have the right to participate in all votes pertaining to the election of members of the Board, and all other matters in which a Voting Member is entitled to vote under the Governing Documents. This process will continue throughout the Development Period until the Voting Member of every Neighborhood anticipated in the Community has attained full voting rights in the Association. During this transition period, the Developer will have the exclusive right to exercise the voting rights that would be attributable to anticipated Neighborhoods within the Community, for which the Voting Member has not yet attained voting rights under this Section. Upon the termination of the Development Period, all members of the Board will be elected by the Voting Members of the Association.

Section 47.04: Veto Power During Transition. Nothing in this Article will be construed to limit, restrict or otherwise affect the exclusive rights and powers granted to and reserved by the Developer under the preceding Article of this Part with respect to participation in and control over the Association, Neighborhood Societies, Board, Councils, DRB, and all other committees, subcommittees, panels and boards of the Association and all Neighborhood Societies during the Development Period.

Section 47.05: Early Termination of Control. The Developer may voluntarily relinquish and terminate all or any portion of its right to participate in and control the Association, Neighborhood Societies, Board, Councils, DRB, and all other committees, subcommittees, panels and boards of the Association and all Neighborhood Societies before termination of the Development Period. Any such early termination must be evidenced in a written instrument, signed by the Developer and recorded in the office of the Greene County Recorder, which specifically states that portion of control, or the

nature and scope of those rights, powers and authorities, then being terminated and relinquished by the Developer. A partial termination will not be construed to limit, restrict or otherwise affect the remaining exclusive rights and powers granted to and reserved by the Developer under this Declaration or any of the other Governing Documents which are not specifically terminated and relinquished.

Section 47.06: Developer's Personal Property. The Developer reserves the right to retain all materials, supplies, inventory, equipment and other personal property owned by the Developer that has not been specifically sold, donated or conveyed to the Association in writing.

ARTICLE XXXXVIII
IRREVOCABLE POWER OF ATTORNEY

Section 48.01: Purpose. This Article specifies those circumstances in which the Developer will be authorized to act for and on behalf of any or all of the Owners of Lots in the Community, and to sign, acknowledge, deliver and record certain documents and instruments in their name and on their behalf. The purpose of the irrevocable power of attorney described in this Article is to permit and facilitate full and efficient exercise by the Developer of all rights, powers and authorities reserved by or granted to the Developer under this Declaration, or any of the other Governing Documents.

Section 48.02: Grant of Rights. Each Owner of a Lot in the Community, including without limitation all subsequent Owners of any Lot, irrevocably and unconditionally appoints the Developer as his, her, or its true and lawful Attorney-in-Fact, with full power of substitution, and with full power and authority to prepare, execute, acknowledge, deliver and record, for and in the name of such Owner, any and all documents or instruments directly or indirectly relating to the proper exercise of any rights, powers or authority granted to or reserved by the Developer under this Declaration or any Supplemental Declaration or other Governing Document, including without limitation any of the following: (i) this Declaration, any Supplemental Declarations or any of the other Governing Documents; (ii) all easements, licenses, permits, consents or any other form of grant, conveyance or reservation; (iii) all deeds or other instruments of conveyance relating to the Developer's rights regarding Additional Property, Exempt Property, Voidable Property and the expansion or withdrawal of any Property; (iv) all Plat, Re-Plats or other modifications to any Plat; (v) all other documents or instruments determined by the Developer, in its sole and absolute discretion, to be necessary, reasonable, desirable or beneficial in carrying out or exercising the Developer's rights under, or to further establish or effectuate the

terms and conditions of, this Declaration or any of the other Governing Documents; and (vi) any amendment, modification, termination or revocation of any of the foregoing. This power of attorney is for the reciprocal benefit of each and every Owner of a Lot in the Community. All rights and powers under this power of attorney will run with the land, are coupled with an interest and are irrevocable.

Section 48.03: Consent. Each Owner, by acceptance of a deed to a Lot, unconditionally and irrevocably consents to the grant of the power of attorney described in this Article, and to the Developer's use and exercise of that power of attorney for the purposes and under the circumstances provided in this Declaration or any of the other Governing Documents.

Section 48.04: Evidence of Power of Attorney. No additional evidence shall be required for the purpose of evidencing the power of attorney set forth in this Article. However, upon the request of the Developer, each Owner agrees to execute, acknowledge and deliver any and all documents or instruments reasonably requested by the Developer to provide additional evidence of the power of attorney, if the Developer determines such additional evidence is required or beneficial.

Section 48.05: Limitation of Rights. The rights of the Developer under the power of attorney granted in this Article, are limited to those uses and purposes, and under those circumstances, specifically provided in this Declaration or any of the other Governing Documents, and for no other purpose. Notwithstanding any provision of this Declaration to the contrary, the Developer will not have the right to assign or delegate any of its right or powers under the power of attorney provided in this Article to any other Person for any reason. Further, the irrevocable power of attorney granted in this Article will remain in full force and effect throughout the Development Period, but will automatically terminate simultaneously with termination of the Development Period.

PART TEN - GENERAL PROVISIONS

The growth and success of the Community also depends upon the protection of lenders who may have an interest in any Lot. Owners also must understand the relationships of those who have any interest within the Community in order to form realistic and accurate expectations concerning their investment in the Community.

ARTICLE II
QUALIFIED MORTGAGEE PROVISIONS

Section 49.01: Qualified Mortgagee Protection. The provisions in this Article are included to encourage lenders and investors to participate in financing of the sale and improvement of Lots in the Community. If any of the provisions in this Article conflict with any other provision in this Declaration, then the provisions of this Article will control with respect to any Qualified Mortgagee.

Section 49.02: Disclosure of Qualified Mortgagee Identity. Within Ten (10) days after closing on the purchase of a Lot, the Owner of the Lot or the Qualified Mortgagee holding a mortgage on that Lot must provide the Association with written notice of the name and address of the Qualified Mortgagee, and the street address of the Lot to which its mortgage relates. Additionally, the Owner or the Qualified Mortgagee must provide the Association with written notice of any changes to the name and address of the Qualified Mortgagee within Ten (10) days of the change. The requirements of this Section must be satisfied in order for any of the remaining Sections of this Article to apply or be enforceable by any Owner or Qualified Mortgagee.

Section 49.03: Subordination of Association Liens. The lien of the Assessments provided for in this Declaration is subordinate to the lien of any first mortgage of a Qualified Mortgagee now or in the future recorded upon any Lot. The sale or transfer of any Lot will not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial foreclosure of a first mortgage, or according to any remedies provided for in the mortgage, will terminate the lien of those Assessments that became due prior to confirmation of the foreclosure sale. No sale or transfer by foreclosure will relieve any Lot from liability for Assessments due after the date of confirmation of the foreclosure sale. Any Qualified Mortgagee who obtains title to a Lot according to the remedies provided in its mortgage or foreclosure of its mortgage, or any purchaser at the foreclosure sale of a first mortgage, will not be liable for unpaid Assessments or charges which accrued prior to the acquisition of title to the Lot by the Qualified Mortgagee or foreclosure purchaser, except for claims for a proportional share of Assessments or charges resulting from a reallocation of Assessments or charges to all Lots, including the mortgaged Lot.

Section 49.04: Waiver of Repurchase Option on Foreclosure. If a Qualified Mortgagee forecloses on a Lot through judicial proceedings, the Developer waives its rights under this Declaration with respect to its Repurchase Option on that Lot.

Section 49.05: Waiver of Right to Enjoin Sale on Foreclosure. If a Qualified Mortgagee forecloses on a Lot through judicial proceedings, the Developer further waives its rights under this Declaration to enjoin the sale of that Lot.

Section 49.06: Notice of Certain Actions. The Association will provide Qualified Mortgagees with timely written notice of: (i) any condemnation loss or any casualty loss which affects a material portion of the applicable Lot; (ii) any condemnation loss or any casualty loss which affects a material portion of the Common Area; (iii) any delinquency in the payment of Assessments or charges attributable to the applicable Lot, where such delinquency has continued for a period of more than Sixty (60) days; (iv) any other violation of the Governing Documents relating to the applicable Lot or the Owner or Occupant of that Lot, where such violation has continued for a period of more than Sixty (60) days; (v) any lapse, cancellation or material modification of any insurance policy maintained by the Association; and (vi) any proposed action that requires the consent of the Qualified Mortgagee under the terms of this Article.

Section 49.07: Actions Requiring Qualified Mortgagee Approval. The occurrence of any of the following events or circumstances will require written notice to, and consent of, Qualified Mortgagees, to the extent provided in this Section and to the extent possible under Ohio Law.

- A. **Restoration or Repair.** Any restoration or repair of a material portion of the Common Area after a partial condemnation or damage due to an insurable hazard must be substantially in accordance with this Declaration and the original plans and specifications, unless the Association obtains the prior approval of the Qualified Mortgagees of first mortgages on Lots to which at least Fifty-One Percent (51%) of the votes of Lots subject to mortgages held by such Qualified Mortgagees are allocated.
- B. **Termination of Association.** Any election to terminate the Association after substantial destruction or a substantial taking in condemnation of the Common Area will require the approval of Voting Members representing Sixty-Seven Percent (67%) of the total Association vote, and the approval of the Qualified Mortgagees of first mortgages on Lots to which at least Fifty-One Percent (51%) of the votes of Lots subject to mortgages held by such Qualified Mortgagees are allocated.
- C. **Other Termination.** Any election to terminate the Association under any other circumstances will require the approval of Voting Members representing at least Sixty-Seven Percent (67%) of the total Association

votes, and approval of the Developer during the Development Period, and the approval of the Qualified Mortgagees of first mortgages on Lots to which at least Sixty-Seven Percent (67%) of the votes of Lots subject to mortgages held by such Qualified Mortgagees are allocated.

- D. Amendment of Governing Documents. Except as specifically provided in this Declaration regarding the rights of the Developer during the Development Period, any material amendment to any of the Governing Documents will require the consent of Voting Members representing at least Sixty-Seven Percent (67%) of the votes of the Association, and of the Developer during the Development Period, and the approval of Qualified Mortgagees of first mortgage on Lots to which at least Fifty-One Percent (51%) of the votes of Lots subject to a mortgage held by Qualified Mortgagees are allocated. An amendment which changes the provisions for any of the following is considered material: (i) voting rights; (ii) Assessments, Assessment liens, or subordination of such liens; (iii) services for maintenance, repair and replacement of the Common Areas; (iv) responsibility for maintenance and repair of the Common Areas; (v) rights to use the Common Area; (vi) boundaries of any Lot; (vii) expansion or contraction of the Lots, or the addition, annexation or withdrawal of any real property not originally subject to this Declaration to or from the Association; (viii) insurance or fidelity bonds; (ix) leasing of Lots; (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey a Lot; (xi) establishment of self-management by the Association where professional management has been required by a Qualified Mortgagee; or (xii) any provisions included in the Governing Documents that are for the express benefit of Qualified Mortgagees.

Section 49.08: Additional Approvals Required by Mortgage Regulation. So long as the Federal Home Loan Mortgage Corporation may require, the following provisions apply in addition to, and not in place of, the provisions in the preceding Section of this Article. Unless at least Sixty-Seven Percent (67%) of the Qualified Mortgagees or Voting Members representing at least Sixty-Seven Percent (67%) of the total Association vote to approve, the Association will not: (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the Common Area which the Association directly or indirectly owns (the granting of

easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection); (ii) change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner of a Lot (a decision, including contract, by the Board or provisions of any Supplemental Declaration regarding Assessments for Neighborhoods or other similar areas are not subject to this provision where such decision or Supplemental Declaration is otherwise authorized by this Declaration); (iii) by act or omission change, waive or abandon any overall scheme, regulations or enforcement pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area (the issuance and amendment of the DRS, or use restrictions will not constitute a change, waiver or abandonment within the meaning of this provision); (iv) fail to maintain insurance, as required by this Declaration; or (v) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such Common Area.

Section 49.09: FHA/VA Approval Requirements. During the Development Period, the following actions will require notice to and prior approval of the Federal Housing Administration or the Veterans Administration, if either agency is insuring or guaranteeing the mortgage of a Qualified Mortgagee on any Lot: (i) annexation of real property not originally subject to this Declaration; (ii) dedication of Common Area not contemplated on the Master Concept Plan; (iii) mortgaging of any Common Area; or (iv) material amendment to this Declaration.

Section 49.10: Common Area Taxes and Insurance. All real estate taxes, assessments and liens that may gain priority to the first mortgage of a Qualified Mortgagee under Applicable Law will only relate to individual Lots, and not to the Common Areas. No provision of the Governing Documents will be interpreted to give any Owner or any other Person priority over any rights of a Qualified Mortgagee in the case of distribution to the Owner of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of the Common Area or the Owner's Lot. All applicable fire and casualty insurance policies will, if specifically requested, contain loss payable clauses acceptable to each Qualified Mortgagee, naming the Qualified Mortgagees as additional insureds, as their interests appear.

Section 49.11: Reserve Funds. The Assessments provided for in the Governing Documents include an adequate Reserve for maintenance, repairs and replacement of those elements of the Common Area that must be replaced on a periodic basis. The

portion of the Assessments for the Reserve are payable in regular installments rather than by Special Assessments.

Section 49.12: Limitations on Professional Management Contracts. Any agreement with the Association for professional management of the Community, or any contract providing for services of the Developer on behalf of the Association, may not exceed One (1) year, renewable by agreement of the parties for a successive One (1) year period. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on Thirty (30) days written notice.

Section 49.13: Encroachments. If any Improvements on any portion of the Common Area encroach upon any Lot, or any Improvements on any Lot encroach upon any Common Area, a valid easement for the encroachment and for the maintenance of the Improvement shall exist to the extent permitted in Part Two of this Declaration.

Section 49.14: Failure of Qualified Mortgagee to Respond. Any Qualified Mortgagee who receives a written request from the Association or the Developer to respond or consent to any action will be deemed to have approved the requested action if the Association or Developer do not receive a written response from the Qualified Mortgagee within Thirty (30) days of the date of the request. Proof of delivery of the request to the Qualified Mortgagee will be adequately evidenced by certified or registered mail, return receipt requested, or by receipt of any express delivery service.

Section 49.15: Conforming Amendments by Board. If the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or any successor or replacement entity, subsequently amend or terminate any of the respective requirements relating to the provisions of this Article, the Developer or the Board of the Association may amend this Article to reflect the same, without notice to or approval of any Owner or Qualified Mortgagee.

ARTICLE L

DISCLAIMER OF REPRESENTATIONS, WARRANTIES AND GUARANTEES

Section 50.01: No Security. The Developer or the Association may, but are not obligated to, designate, recommend, or require through the DRS certain Improvements intended to enhance the safety or security of Owners, Occupants and Improvements on individual Lots. Further, the Developer or the Association may, but are not obligated to, maintain certain activities or services designed to make the Community as a whole safer than it might otherwise be. However, the Developer, Association, Board and DRB shall not in any way be considered insurers or guarantors of any safety or security within the Community or on individual Lots, and shall not be held liable for any loss or

damage for either the failure to provide adequate safety or security, or the ineffectiveness of any safety or security measures provided, recommended or required. All Owners, Occupants and Users acknowledge that the Developer, Association, Board and DRB do not represent or warrant that any fire protection system, burglar alarm system, or other safety or security system recommended or required by any of them, or installed according to, the DRS, may not be compromised or circumvented, or that the system will in all cases provide the detection or protection for which the system is designed or intended, or that it will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise. Every Owner, Occupant and User acknowledges and agrees that they have full knowledge and understanding of the risks referred to in this Section, and unconditionally assume all risks for personal injury to or death of any Person, or loss, damage or destruction of any Improvements or personal property, without any liability whatsoever of the Developer, Association, Board, DRB, or any other Person associated or affiliated with any of them.

Section 50.02: No Representations or Warranties Concerning Community. Every Owner acknowledges and agrees that he or she will have a full and fair opportunity to review and investigate the Governing Documents, all aspects of the Lot they are purchasing, and all other aspects of the Community before making any investment in a Lot in the Community. Every Owner further acknowledges and agrees that neither the Developer, Association, Board, DRB, or any Persons associated or affiliated with any of them, have made any, and they specifically disclaim all, written, oral, express or implied representations, warranties or guarantees directly or indirectly relating to any aspect of: (i) the usefulness, practicality, habitability, functioning, fitness, condition or existence of any Improvement or other feature included, or to be included, in the Community; (ii) whether or not any or all portions of the Property, or features of the Community, described on the Master Concept Plan will eventually be completed and included as part of the Community; (iii) whether the provisions or implementation of any of the Governing Documents, or any other aspect of the Common Areas or Community, as anticipated in this Declaration and the Master Concept Plan or as actually provided, will preserve, protect or enhance the value of any Lot, Improvement, the Community as a whole, or other investment of any Owner in a Lot or Improvement; or (iv) any other fact, circumstance or aspect of any Lot, Improvement, Common Area or the Community as a whole. Every Owner unconditionally releases the Developer, Association, Board, DRB, and all Persons associated or affiliated with any of them for

any form of liability for any actual, alleged, consequential or incidental loss or damage directly or indirectly relating to or caused by any matter referred to in this Section.

Section 50.03: No Guarantees Regarding Improvements. Every Owner understands and agrees that all guarantees relating to any Improvements on their Lot are strictly a matter of contract between the Owner and the Owner' architect, designer, Builder or other Person constructing or providing those Improvements. The Developer, Association, Board, DRB, and all Persons associated or affiliated with any of them have not made any, and specifically disclaim all, written, oral, express or implied guarantees, representations or warranties directly or indirectly relating to any aspect of: (i) the design, structural integrity, soundness, practicality, habitability, functioning, operation, or utility of any Improvement; or (ii) compliance of any Improvement with any building or fire codes, or other Applicable Law; (iii) any warranty of merchantability or fitness for any particular purpose of any Improvement; or (iv) any other fact, circumstance or matter pertaining to any Improvement on any Lot, whether or not the Improvement was approved by the DRB pursuant to the procedures described in this Declaration. Every Owner unconditionally releases the Developer, Association, Board, DRB, and all Persons associated or affiliated with any of them for any form of liability for any actual, alleged, consequential or incidental loss or damage directly or indirectly relating to or caused by any matter referred to in this Section.

ARTICLE LI

ADDITIONAL TERMS AND CONDITIONS

Section 51.01: Use of Community or Neighborhood Names. No Person will have the right to use the name "Stonehill Village," any derivatives of that name, or the name or derivatives of the name of any Neighborhood within the Community, in any part of the name of any building or Improvement, or any business or enterprises, or in any printed or promotional material, without the Developer's prior written consent. However, Owners may use these names in printed or promotional materials for the sole purpose of specifying that particular Lot or Improvement is located within this Community or a particular Neighborhood. The Association is entitled to use the name "Stonehill Village" within its name, and any Neighborhood Society is entitled to use the name of that Neighborhood within its name.

Section 51.02: Notice of Transfer. If any Owner desires to transfer title to his or her Lot, the Owner must give the Board of the Association written notice of the name and address of the transferee, the date of transfer of title, and such other information as the Board may reasonably require. This notice must be received by the Board at least

Seven (7) days prior to closing on the transfer of the Lot. Until the Board receives the written notice, the transferor will continue to be jointly and severally responsible for all obligations of the Owner of the Lot, including payment of Assessments, notwithstanding the transfer of title to the Lot. Further, the new Owner will not be considered a Member of the Association or any Neighborhood Society until the Association receives the notice described in this Section.

Section 51.03: Notices. Unless a particular form of delivery is specified in any provision of the Governing Documents, any notice required or permitted to be given to any Person under this Declaration or the other Governing Documents may be sent by ordinary postage prepaid mail, certified or registered mail, express delivery, hand delivery, telecopier, electronic transmission, or any other form of communication that results in conveyance of the information in a form then generally recognized as reliable. The party sending the notice will have the burden of proof that the notice was actually sent and received. Any notice to an Owner or Qualified Mortgagee must be addressed to the Owner's or Qualified Mortgagee's address as it then appears on the records of the Association.

Section 51.04: Condemnation. If all or any portion of a Lot becomes the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, the net proceeds of any award or settlement will be the property of the Owner and any Qualified Mortgagee with an interest in the Lot, to the extent of their respective interests. Each Owner will be responsible for giving their Qualified Mortgagee timely written notice of the proceeding or proposed acquisition. If all or any portion of the Common Area becomes the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, the proceeds of any award or settlement shall be distributed to the Association to be held or used for the common benefit of the appropriate Members in the manner determined by the Board.

Section 51.05: Binding Effect. All terms, covenants, conditions, restrictions, reservations, obligations, rights, benefits and privileges in this Declaration, and in all other Governing Documents, are binding upon all Persons who now own or in the future acquire any rights, title or interest in any Lot, Common Area or other portion of the Property, and their respective heirs, beneficiaries, administrators, executors, guardians, conservators, custodians, attorneys-in-fact, legal representatives, successors and assigns.