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Franklin County Recorder NLSTEPPING

DECLARATION OF COVENANTS,
EASEMENTS, AND RESTRICTIONS
FOR
STEPPING STONE

INDEX

<u>ITEM</u>	<u>PAGE</u>
Background	1
COVENANTS, EASEMENTS, RESTRICTIONS AND ASSESSMENT LIENS	2
ARTICLE I - DEFINITIONS	2
ARTICLE II - THE PROPERTY; THE ADDITIONAL PROPERTY	4
Section 1 - Property Subject	4
Section 2 - Additional Property	5
Section 3 - Common Elements	5
(a) Specification of Common Elements	5
(b) Conveyance to Association	5
(c) Use of Common Elements	5
(d) Authority to Convey Common Elements	6
ARTICLE III - ASSOCIATIONS	6
Section 1 - HOA	6
Section 2 - EOA	6
ARTICLE IV - ARCHITECTURAL REVIEW	7
Section 1 - Architectural Review	7
(a) Establishment of Architectural Review Board	7
(b) Purposes	7
(c) Design Guidelines	7
(d) Responsibilities; Effect of Actions	7
Section 2 - Plan Approval; Duty to Build	8
(a) Requirement of Plan Approval	8
(b) Basis of Approval; Commitment to Build	8
(c) Failure to Approve or Disapprove	9
(d) Liability Relating to Approvals	9
ARTICLE V - PROTECTIVE COVENANTS AND RESTRICTIONS	9
Section 1 - Uses	9
(a) Residential Uses	9
(b) Transient Uses	9
(c) Temporary Structure Use	9
(d) Hobbies	10
(e) Offensive Activities	10
(f) Service Screening, Storage Areas	10
(g) Machinery and Equipment	10
(h) Vehicles, Trailers, Boats, Commercial Vehicles and Motor Homes.	10
(i) Animals	11
(j) Open Fires	11

ITEM

PAGE

ARTICLE V - PROTECTIVE COVENANTS AND RESTRICTIONS (Continued)

Section 2 - Building, Improvement, and Other Limitations	11
(a) Lot Splits	11
(b) Dwelling Size	11
(c) Garages	11
(d) Outbuildings, Temporary Improvements	11
(e) Antennas	12
(f) Utility Service	12
(g) Improvement Location	12
(h) Sight Distance at Intersections	12
(i) Storage Tanks	13
(j) Improvement Exteriors	13
(k) Exterior Materials and Colors	13
(l) Signs	13
(m) Landscaping	13
(n) Maintenance	13
(o) Drainage and Grading	13
(p) Soil Removal	14
(q) Fences	14
(r) Swimming Pools	14
(s) Solar Panels	14
(t) Window Air Conditioning Units	14
(u) Storage	14
(v) Governmental Regulations	14
(w) Tree Preservation	14

ARTICLE VI - REPAIR AND MAINTENANCE RESPONSIBILITIES	15
Section 1 - The HOA	15
Section 2 - The EOA	15
Section 3 - Lot Owners	15

ARTICLE VII - UTILITY SERVICES	15
--------------------------------	----

ARTICLE VIII - INSURANCE; LOSSES; BONDS	15
Section 1 - Fire and Extended Coverage Insurance	15
Section 2 - Liability Insurance	16
Section 3 - Other Insurance	16

ARTICLE IX - GRANTS AND RESERVATIONS OF RIGHTS AND EASEMENTS	17
Section 1 - Easements of Enjoyment; Limitations	17
Section 2 - HOA and EOA Entry, Repair and Maintenance Easements	17
Section 3 - Easements for Encroachments	17
Section 4 - Easement for Support	17
Section 5 - Easement for Services	17
Section 6 - Easements Reserved to Declarant	17
Section 7 - Power of Attorney	18
Section 8 - General	18

<u>ITEM</u>	<u>PAGE</u>
ARTICLE X - ASSESSMENTS AND ASSESSMENT LIENS	18
Section 1 - Types of Assessments	18
Section 2 - Operating Assessments	18
(a) Prior to Turnover Date	19
(b) Subsequent to Turnover Date	19
(c) Payments	19
(d) Insufficient Collections	19
Section 3 - Special Assessments for Capital Improvements	20
Section 4 - User Fees	20
Section 5 - Special Individual Lot Assessments	20
Section 6 - Effective Date of Assessment	20
Section 7 - Effect of Nonpayment of Assessment; Remedies of the HOA	21
Section 8 - Certificate Regarding Assessments and User Fees	22
Section 9 - Subordination of the Lien to First Mortgages	22
ARTICLE XI - USE OF FUNDS	22
Section 1 - Application of Assessments and User Fees	22
Section 2 - Authority to Borrow Funds	22
Section 3 - Authority to Maintain Surplus	22
Section 4 - Authority to Enter Into Contracts	22
ARTICLE XII - CONSTRUCTIVE NOTICE AND ACCEPTANCE	23
ARTICLE XIII - RIGHTS OF MORTGAGEES	23
Section 1 - Notices	23
Section 2 - Inspection of Books and Records	23
ARTICLE XIV - ENFORCEMENT	23
Section 1 - Interpretation	23
Section 2 - Violation Abatement	24
Section 3 - Arbitration	24
Section 4 - Legal Actions	24
Section 5 - Failure to Enforce	24
Section 6 - Duty to Enforce	24
ARTICLE XV - EFFECTIVE PERIOD; AMENDMENT	24
Section 1 - Effective Period	24
Section 2 - Amendments	24
Section 3 - Method to Amend	25
ARTICLE XVI - GENERAL PROVISIONS	25
Section 1 - Joint and Several Obligations	25
Section 2 - Severability	25
Section 3 - Constructive Notice and Appearance	25
Section 4 - Mutuality	25
Section 5 - Captions	25
ATTACHMENT 1 - Stepping Stone, Section 1 (27.297 acres)	
ATTACHMENT 2 - Equestrian Center Parcel (5.991 acres)	
ATTACHMENT 3 - Additional Property, Parcel 1 (36.873 acres)	
ATTACHMENT 4 - Additional Property, Parcel 2 (4.765 acres)	

**DECLARATION OF COVENANTS, EASEMENTS
AND RESTRICTIONS FOR STEPPING STONE**

This is a declaration of covenants, easements and restrictions ("the Declaration") made on or as of this 6th day of December, 2000, by STEPPING STONE DEVELOPMENT, LLC, an Ohio limited liability company, (hereinafter, "the Declarant").

Background

A. Declarant is the owner in fee simple of an approximately 70.697 acre parcel of land in Jefferson Township, Franklin County, Ohio, which it is developing into a single family residential community, with various developed and natural park and recreation areas, storm water detention areas, equestrian boarding and training facilities, and horse riding and walking trails.

B. Declarant has subdivided a 27.297 acre portion of this property into 34 lots, each designed and planned to have constructed on it one single family residence, reserves for ponds, subdivision entryway features and landscaped areas, and designated areas across various portions of the lots for horse riding and walking trails. A legal description of this property is set forth on "Attachment 1" to this Declaration, and is referred to herein as "Stepping Stone, Section 1".

C. Declarant is also setting aside for use as the principal equestrian facility a 5.991 acre portion of this property, and improvements thereon, that lies immediately west, across Unbridled Way, from a portion of Stepping Stone, Section 1. This parcel contains a barn with stables, a caretaker's apartment, and meeting room and viewing area, outdoor horse exercise and walking areas, and other related facilities. A legal description of this 5.991 acre parcel is described on "Attachment 2" to this Declaration, and is referred to herein as "the Equestrian Center Parcel".

D. To the west and north of Stepping Stone, Section 1 is the remainder of Declarant's 70.697 acre parcel, consisting of approximately 36.873 acres, all or portions of which and such other contiguous property, if any, as Declarant may acquire, Declarant presently intends to subdivide into lots and similar reserves as in Stepping Stone, Section 1 and subject the same to the plan hereof. This property is referred to herein as "Additional Property, Parcel 1," and is described in "Attachment 3" to this Declaration.

E. Contiguous to the west and north of the Equestrian Center Parcel is an approximately 4.765 acre parcel of land containing a single family home and various other facilities. By agreement with the owners of that property various provisions of this Declaration, with agreed modifications, are to be made applicable to that property when and if it is made subject to the provisions of this Declaration. That property, referred to herein as the "Additional Property, Parcel 2", is described on "Attachment 4" to this Declaration.

F. "Stepping Stone" is and shall consist of all property at any time subject to the provisions hereof, and, by this Declaration, consists initially of Stepping Stone, Section 1, and the Equestrian Center Parcel.

G. Declarant desires to provide for the preservation of the values and amenities in Stepping Stone, Section 1 and the Equestrian Center Parcel, and all other properties hereafter subjected to the plan of this Declaration, for the benefit of the present and future owners and occupants of properties in Stepping Stone, as it may be constituted from time to time.

CONVEYANCE TAX
EXEMPT

JOSEPH W. TESTA
FRANKLIN COUNTY AUDITOR

TRANSFERRED
NOT NECESSARY
DEC 08 2000
JOSEPH W. TESTA
AUDITOR
FRANKLIN COUNTY, OHIO

H. Declarant deems it desirable for the accomplishment of these objectives to (a) create an agency, a home owners' association, to which is delegated and assigned the non-exclusive right and obligation to administer and enforce the provisions hereof, to own and administer the Reserves and improvements thereon, to own the Equestrian Center Parcel and to participate in the administration of it, and to collect and disburse the funds necessary to accomplish these objectives, and (b) create a membership organization of Lot owners who purchase the right to board horses and use various of the facilities of the Equestrian Center Parcel and horse riding trails. Accordingly, Declarant shall cause to be incorporated (a) THE STEPPING STONE ASSOCIATION as a nonprofit corporation, under and pursuant to the laws of Ohio, hereinafter referred to as the "HOA", whose members are and will be all of the owners of a lot or lots in Stepping Stone, to be and act as the homeowners' association for Stepping Stone, and (b) THE STEPPING STONE EQUESTRIAN ASSOCIATION, hereinafter referred to as the "EOA", as a non-profit corporation under and pursuant to the laws of the State of Ohio, to be and act as the association of owners of lots who have purchased, and own, the right to board a horse or horses in facilities on the Equestrian Center Parcel and utilize portions of its facilities for related purposes, and the non-exclusive right to use the horse riding trails for the riding of horses.

COVENANTS, EASEMENTS, RESTRICTIONS AND ASSESSMENT LIENS

NOW THEREFORE, Declarant hereby declares that all of the property in Stepping Stone, Section 1, and the Equestrian Center Parcel shall be held, sold, conveyed and occupied subject to the following covenants, easements, and restrictions, which are for the purpose of protecting the values and desirability of, and which shall run with the title to, each part of Stepping Stone, and be binding on all parties having any right, title or interest therein, and each part thereof, and their respective heirs, successors and assigns, and shall inure to the benefit of and be enforceable by Declarant, Declarant's designee, and each of their successors and assigns, each owner of property in Stepping Stone, and the respective personal representatives, heirs, successors and assigns of each owner, and the HOA and its successors and assigns.

ARTICLE I

DEFINITIONS

The following terms used hereafter in this document shall have these meanings, unless the context requires otherwise:

1. "Additional Property" means property that may in the future be subject to the plan provided hereby, and includes (a) the "Additional Property, Parcel 1" described in Attachment 3 hereto, (b) the "Additional Property, Parcel 2" described in Attachment 4 hereto, and (c) such other property contiguous to property subject to the provisions hereof, at any time, as Declarant, in its sole discretion, may from time to time determine.

2. "Architectural Review Board" means the committee of the HOA, appointed as, and with the power and authority, hereinafter provided, and whose consent, generally, must be obtained to make or change Improvements or Dwellings.

3. "Articles" and "Articles of Incorporation" mean the articles, when filed with the Secretary of State of Ohio, incorporating (a) when the context so requires, the HOA (The Stepping Stone Association) as a corporation not-for-profit under the provisions of Chapter 1702 of the Revised Code of Ohio ("Chapter 1702") (the State of Ohio's enabling nonprofit corporation act), and (b) when the context so requires, the EOA (The Stepping Stone Equestrian Association), as an Ohio corporation not-for-profit.

4. "Association Governing Documents" means this Declaration, and amendments hereto, the plat of Stepping Stone, other covenants, restrictions and easements of record, if any, on all or any part of Stepping Stone, the Articles of Incorporation and Code of Regulations of the HOA, and all rules, regulations, policies and procedures adopted by the HOA or its Board.

5. "Board" and "Board of Trustees" mean those persons who, as a group, serve as the Board of Trustees, when the context so requires, of (a) the HOA, or (b) the EOA.

6. "Bona-fide residential home purchaser" means a person who for value has purchased and to whom has been conveyed a Lot with a completed Dwelling on it.

7. "Code of Regulations" means the code of regulations, which provide certain operating rules and procedures, when the context so requires, (a) for the HOA, or (b) for the EOA.

8. "Common Elements" means all real and personal property (including easement rights and fixtures) and facilities, now owned or hereafter conveyed to or acquired by the HOA for the common use and the enjoyment of the Lot owners, or for the operation of the HOA. These Common Elements include (without limitation) all of the Reserves in Stepping Stone, Section 1, easements for horse riding and walking trails, and, to the extent specifically provided herein, certain rights with respect to the Equestrian Center Parcel.

9. "Declarant" means Stepping Stone Development, LLC, or such assignee of its rights and authority hereunder as it may designate in writing.

10. "Declaration" means this instrument, by which the initial stage of Stepping Stone, Stepping Stone, Section 1, and the Equestrian Center Parcel are hereby submitted to the provisions of this Declaration.

11. "Design Guidelines" mean those guidelines for construction of Dwellings and Improvements adopted from time to time by the Architectural Review Board, as hereinafter provided.

12. "Dwelling" means and includes all structures to be used for residential purposes, together with all projections and extensions thereof and accessory structures, whether or not connected or attached, including, but not limited to, garages, porches, canopies, shelters, and storage structures.

13. "Eligible holder of a first mortgage lien" means the holder of a valid recorded first mortgage on a Lot, which holder has given written notices to the Association stating the holder's name, address, and Lot or Lots subject to its mortgage.

14. "EOA" means The Stepping Stone Equestrian Association, which shall be an Ohio non-profit corporation to be formed by Declarant, and whose members will be owners of a fee simple interest in a Lot or Lots in Stepping Stone who own the right to board horses and use various of the facilities of the Equestrian Center Parcel and to utilize the horse riding trails for riding horses.

15. "Equestrian Center Parcel" means the property described on Attachment 2 and all rights and interests appurtenant thereto. "Equestrian Center" means all property and facilities in Stepping Stone intended for use of boarding, exercising, riding or maintaining horses.

16. "Exempt Property" means the portion of the real property comprising Stepping Stone, if any, now or hereafter dedicated to public use or owned by the United States, the State of Ohio, Franklin County, Jefferson Township, any school board, or similar governmental body, or any instrumentality or agency or any such entity, for so long as any such entity or any such instrumentality or agency shall be the owner thereof, but only for so long as such property is not utilized as a residence.

17. "HOA" means The Stepping Stone Association, which shall be an Ohio non-profit corporation to be formed by the Declarant, and whose members will be all owners of a fee simple interest in a Lot or Lots in Stepping Stone.

18. "Improvements" means all buildings, outbuildings, garages and structures, and includes: all Dwellings; overhead, aboveground and underground installations, including without limitation, utility facilities and systems, lines, pipes, wires, towers, cables, conduits, poles, antennae and satellite dishes; flagpoles; tennis courts and swimming pools, and all other types of permanently installed recreational fixtures and facilities; roads, driveways, uncovered parking areas and other paved areas; fences, trellises, walls, retaining walls, exterior stairs, decks, patios and porches; planted trees, hedges, shrubs and other forms of landscaping; signs; watering systems; earth mounds and plantings; and all other structures of every type a part of or serving Stepping Stone.

19. "Lot" means a discrete parcel of real property created for the purpose of construction or maintenance of a Dwelling thereon and subjected to the provisions of this Declaration. For no purposes hereunder shall the Equestrian Center Parcel or any portion thereof be or deemed to be a Lot.

20. "Lot owner" shall mean the holder of record title to the fee interest in any Lot whether or not such title holder actually resides in a Dwelling on a Lot, and whether or not there is a Dwelling on that Lot, and excludes those having an interest in a Lot or Lots merely as security for the performance of an obligation.

21. "Occupant" means a person lawfully residing on a Lot, regardless of whether or not that person is a Lot owner.

22. "Person" means a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

23. "Reserve" or "Reserves" mean one or more of the Reserves in Stepping Stone, as delineated and shown on a recorded plat of property subjected to the provisions hereof.

24. "Stepping Stone" means all of the property at any time subject to the provisions of this Declaration, which by this Declaration consists of Stepping Stone, Section 1, and the Equestrian Center Parcel, and, in the future, could also include all or part of the Additional Property.

25. "Stepping Stone, Section 1" means the subdivision that has been created of a portion of Declarant's property, and subjected hereto, and is the property described in Attachment 1, and all rights and interests appurtenant thereto.

26. "Trustee" and "Trustees" mean that person or those persons serving, at the time pertinent, as a member of the Board of Trustees of, when the context so requires, (a) the HOA, or (b) the EOA.

27. "Turnover Date" means the earlier of such time as (a) a Dwelling has been constructed on each Lot and each Lot has been sold and conveyed by Declarant or its successors and assigns to unrelated purchasers in good faith and for value and (b) such time as Declarant, in its sole discretion, elects to turn over control of the HOA to its members.

ARTICLE II

THE PROPERTY; THE ADDITIONAL PROPERTY

Section 1. Property Subject. The property which shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration, shall consist of Stepping Stone, Section 1, including all of the Lots and Reserves thereof, and any and all rights appurtenant thereto, and the Equestrian Center Parcel described in Attachment 2 hereof, and any and all rights appurtenant thereto.

Section 2. Additional Property. The right is reserved to Declarant, its successors and assigns, (and with respect to the Additional Property, Parcel 2, also the approval of the present owners of that parcel), to cause the Additional Property, or any portion thereof, to become subject to the provisions of this Declaration, and the owners of a Lot or Lots therein subject to the rights and obligations of members set forth herein and in the Articles and Code of Regulations of the HOA, and, if and when the present and future owners of a Lot therein purchase the right to board or permit a designee to board a horse in the improvements on the Equestrian Center Parcel, members of the EOA and subject to the rights and obligations of EOA members set forth in the Articles and Code of Regulations of the EOA. The execution by the fee simple owners of such property, with the same formalities as this Declaration, and the recording thereof in the records of the Recorder of Franklin County, Ohio, of a supplemental declaration or declarations, shall subject that property to the provisions hereof; provided that any such supplemental declaration may contain such supplementary additions and modifications hereof as may be necessary to reflect the different character, if any, of the property added, and as are not inconsistent with the overall scheme of this Declaration; provided, further, that if the Additional Property, Parcel 2, is subjected to the provisions hereof, that parcel shall be deemed to be a single Lot and the restrictions applicable with respect thereto modified as provided in an agreement between Declarant and Victor K. Vainder and Susan Roth-Vainder dated May 24, 2000. Upon the addition of property to this plan, the property therein and the owners of that property shall be subject to and benefited by the provisions hereof applicable to Lots and the owners thereof; and the Common Elements therein, provided they meet the criteria for Common Elements hereinafter provided, shall be subject to and benefited by the provisions hereof applicable to the Common Elements.

Section 3. Common Elements.

(a) **Specification of Common Elements.** The Common Elements shall initially consist of the Reserves of Stepping Stone, Section 1, as shown on the plat of Stepping Stone, Section 1, the Equestrian Center Parcel, the easements for horse riding and walking trails, as shown on that plat, and all rights and appurtenances thereto, subject, however, to rights reserved to the EOA and its members. Additional Common Elements may hereafter be established by a separate deed or deed of easement that creates or establishes Common Elements, and by supplemental declarations previously described, designating additional Common Elements, provided that all such Common Elements in Additional Property added shall be substantially of the type and nature of Common Elements in Stepping Stone, Section 1.

(b) **Conveyance to Association.** On or before the date of the closing of the sale of any Lot in Stepping Stone, Section 1 to a bona fide residential home purchaser Declarant shall convey Reserves A through D to the HOA by transferable and recordable general warranty deed, free and clear of all liens and encumbrances except (i) restrictions, easements and agreements of record, including those set forth herein, (ii) utility easements, (iii) real estate taxes and assessments, if any, the installments of which are not then due and payable, and (iv) zoning and building laws and regulations. Similar areas in the Additional Property subjected to this plan shall be conveyed to the Association on or before the date of the closing of the sale of the first property in the property added to a bona fide purchaser, by transferable and recordable general warranty deed, free and clear of all liens and encumbrances except as noted above. The Equestrian Center Parcel shall be conveyed to the HOA by transferable and recordable general warranty deed, free and clear of all liens and encumbrances except as noted above at such time as Declarant, in its sole discretion determines, but no later than the time all Lots in Stepping Stone, as it may ultimately be constituted, have been conveyed to bona fide residential home purchasers.

(c) **Use of Common Elements.** The Common Elements shall not be used for any purposes other than those for which they are designed, subject to such reasonable rules and regulations as the Board of Trustees of the HOA may from time to time establish.

(d) Authority to Convey Common Elements. Notwithstanding any other provision hereof, the HOA shall have the power and authority to dedicate or convey Common Elements for public use or a public purpose, and to grant easements thereon for the installation, operation and maintenance of utility services, all as may be determined from time to time by the Board of Trustees of the HOA.

ARTICLE III

ASSOCIATIONS

Section 1. HOA. The HOA will be formed to serve as the association of the owners of all Lots in Stepping Stone. The HOA shall have all the rights, powers and duties established, invested, or imposed pursuant hereto, its Articles of Incorporation, Code of Regulations, duly adopted rules and regulations, and the laws of the State of Ohio applicable with respect to Ohio corporations not-for-profit. Among other things, the HOA, through its Board, shall have the power to enforce and administer the restrictions set forth herein, adopt, amend and enforce the Design Standards, borrow money, pledge assets and receivables, levy and collect assessments, collect and maintain reserves for replacement or anticipated expenditures, enter into contracts, and take such other actions as its Board deems appropriate in fulfilling the HOA's purposes. In addition, the HOA shall have the duties of ownership, repair, and maintenance of the Common Elements, subject to such obligations of repair and maintenance of the Equestrian Center Parcel and improvements thereon and horse riding trails as will be set forth in an agreement between the EOA and the HOA. Each record owner of a fee interest in a Lot, at the time he, she or it acquires such fee interest, shall automatically become a member of the HOA. The membership of the owner of a Lot shall automatically terminate at such time as that Lot owner ceases to own a fee interest in a Lot. Voting rights of members shall be as provided in the HOA's Code of Regulations.

Section 2. EOA. The EOA will be formed to serve as an association of Lot owners who purchase the right to board horses and use various of the facilities of the Equestrian Center, and the non-exclusive right to utilize areas designated on plats of Stepping Stone for horse riding trails for that purpose. The EOA shall have all the rights, powers and duties established, invested, or imposed pursuant hereto, its Articles of Incorporation, Code of Regulations, duly adopted rules and regulations, and the laws of the State of Ohio applicable with respect to Ohio corporations not-for-profit. The EOA shall have the duties of regulating and administering equine activities within Stepping Stone, including the boarding, care, feeding, exercising and recreational use of horses, and the use of an apartment in the Equestrian Center for a caretaker or operator, and shall have responsibility for repairing and maintaining those areas and facilities and collecting and disbursing funds for that purpose. The EOA and its members shall be granted various rights of use in and enjoyment of facilities on the Equestrian Center Parcel, all as to be set forth in an agreement between the HOA and EOA. Each record owner of a Lot who purchases the right to board a horse or horses in the Equestrian Center shall be and remain a member of the EOA so long as that Lot owner owns a Lot in Stepping Stone and meets the requirements set forth in the EOA's Code of Regulations. Membership of a Lot owner in the EOA shall cease when that Lot owner no longer owns a Lot or ceases to meet the requirements for membership set forth in the EOA's Code of Regulations. Memberships shall be transferable, but only to others who are Lot owners who agree to board a horse or horses in facilities on the Equestrian Center Parcel. Horse boarders other than Lot owners shall be permitted if there is an insufficient number of Lot owners to fully utilize the boarding facilities, on such terms as the EOA Board of Trustees determine. The Board of Trustees of the EOA shall consist of six individuals, three of whom are Lot owners who are not members of the EOA, appointed by the HOA Board, and three of whom are members of the EOA and elected by the members of the EOA, provided that until such time as Declarant, in its sole discretion determines, but no later than the time all Lots in Stepping Stone, as it ultimately may be constituted, have been conveyed to bona fide residential home purchasers, the EOA shall have only three Trustees, all appointed by Declarant. Implementing provisions and other provisions regarding the organization, rights, duties, powers and authority of the EOA and its members and Trustees shall be determined by Declarant and set forth in the EOA Articles, Code of Regulations, or rules and regulations, or in an agreement between the HOA and EOA. Voting rights of EOA members shall be as provided in the EOA's Code of Regulations.

ARTICLE IV

ARCHITECTURAL REVIEW

Section 1. Architectural Review.

(a) Establishment of Architectural Review Board. The Architectural Review Board shall initially consist of such three individuals as Declarant shall from time to time designate, in its sole discretion. From and after such time as Declarant, in its sole discretion determines, but no later than the time all Lots in Stepping Stone, as it may ultimately be constituted, have been conveyed to bona fide residential home purchasers, the Architectural Review Board shall consist of such persons (who may but need not be members of the Board), in such number, have such terms, have such qualifications, and be subject to such restrictions and limitations, as the Board may from time to time determine; provided that, if at that time a Dwelling has not been constructed on every Lot, the Improvements built on any such Lot shall be subject only to Declarant's prior approval, and the Architectural Review Board shall have no jurisdiction with respect thereto.

(b) Purposes. The purposes of the Architectural Review Board shall be to:

(i) Establish, maintain and preserve Design Guidelines;

(ii) Review, approve and disapprove proposed building plans for all Improvements; and

(iii) Advise and recommend to the HOA Board measures and actions to enforce the Design Guidelines and the covenants and restrictions set forth herein, and cause such measures and actions to be taken when directed by the HOA Board.

(c) Design Guidelines. The Architectural Review Board shall, from time to time, establish architectural, building, and environmental standards for all Improvements in Stepping Stone, in order to assure that Stepping Stone will be built and maintained as a high quality residential development with harmonious and pleasing appearance, and a safe and secure residential community. These Design Guidelines, among other things, shall contain architectural, building and environmental standards, and shall control and regulate external design, quality and types of construction, materials and colors to be utilized, setting, height, grade, finished ground elevations, landscaping, tree removal, and any and all other aspects of construction, or regarding safety, or related to visual appearance, of all Improvements. These standards shall also include all items necessary to conform to and comply with the lawful requirements of all public authorities; including, without limitation, lawful statutes, ordinances, rules and regulations, standards, directives, and zoning texts.

(d) Responsibilities; Effect of Actions. The Architectural Review Board shall exercise its best judgment to see that all improvements are built to conform to the Design Guidelines and the restrictions contained herein. The decisions of the Architectural Review Board as to conformity with the Design Guidelines and the restrictions contained herein shall be conclusive and binding on all parties. The Architectural Review Board shall also periodically view all property in Stepping Stone and actions taken with respect thereto and advise the HOA Board of all violations of the covenants and restrictions imposed hereby, for further action by the HOA Board on behalf of the HOA.

Section 2. Plan Approval; Duty to Build.

(a) **Requirement of Plan Approval.** No Improvements visible to the exterior shall be commenced, erected, or maintained on any Lot, nor shall any exterior addition to or change or alteration of any such Improvements be made, nor shall any change in exterior color be made, nor shall any change be made in any landscaping visible to the exterior (excluding replanting of casual flowers and shrubs in beds and areas provided for the same), until the same shall have first been approved in writing by the Architectural Review Board in accordance with the Design Guidelines and as provided herein. Approval shall be requested by submission to the Architectural Review Board of plans and specifications, showing all areas of proposed construction or change, as required by the Architectural Review Board, which can include requests for drawings or descriptions of the following:

- (i) Existing and proposed land contours and grades;
- (ii) All buildings, and other improvements, access drives, and other improved areas, and the locations thereof on the site;
- (iii) All landscaping;
- (iv) Plans for all floors, cross sections and elevations, including projections and wing-walls;
- (v) Exterior lighting plans;
- (vi) Mail boxes, address markers, and exterior ornamentation;
- (vii) Walls, fencing, and screening;
- (viii) Patios, decks, gazebos, and porches;
- (ix) Signs and parking areas;
- (x) Swing sets, play areas, basketball boards, and similar improvements;
- (xi) Samples of materials to be used to the extent requested by the Architectural Review Board;
- (xii) Certification that the finished improvements will conform to the requirements of the Design Guidelines and the provisions hereof; and
- (xiii) Such other information, data, and drawings as may be reasonably requested by the Architectural Review Board.

Specifications shall describe types of construction and exterior materials to be used, including, without limitation, the colors and manufacturers thereof, and shall otherwise be prepared according to the Design Guidelines and the restrictions contained herein.

(b) **Basis of Approval; Commitment to Build.** Approval shall be based, among other things, upon conformity and harmony of the proposed plans with the Design Guidelines, the restrictions contained herein, and other structures in Stepping Stone; the effect of the erection and use of improvements on neighboring property; and conformity of the plans and specifications to the purpose and intent of the provisions hereof. Approval of plans and specifications shall constitute the commitment of the owner to build

according to the approved plans and specifications within a reasonable time, not to be longer than one (1) year from the date of approval.

(c) Failure to Approve or Disapprove. If the Architectural Review Board fails either to approve or disapprove any such plans and specifications within sixty (60) days after the same have been delivered to it, it shall be conclusively presumed that the Architectural Review Board has approved those plans and specifications.

(d) Liability Relating to Approvals. Neither Declarant, the Association, the Board, the Architectural Review Board, nor any member thereof, nor any of their respective heirs, personal representatives, successors or assigns, shall be liable to anyone submitting plans and specifications for approval by reason of mistakes in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve the same. Every person and entity who submits plans and specifications to the Architectural Review Board agrees, by submission thereof, that he, she, it or they will not bring any action or suit against any of the foregoing to compel any person to act or not act or to recover any alleged damages.

ARTICLE V

PROTECTIVE COVENANTS AND RESTRICTIONS

Section 1. Uses.

(a) Residential Uses. Except as otherwise specifically provided in this Declaration, no Lot shall be used for any purpose other than that of a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto, provided, however, that no residence may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an Occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the residence), making professional telephone calls or corresponding in or from a residence, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; and (ii) Lots and Common Elements may be used for construction and sales purposes, and sales models, by Declarant and by builders and developers as approved by Declarant, in its sole discretion, until all Lots, with Dwellings on them, have been conveyed to bona fide residential home purchasers.

(b) Transient Uses. No residence on a Lot shall be rented or used for transient or hotel purposes, which is defined as: (i) rental for a period less than thirty (30) days, or (ii) rental under which Occupants are provided customary hotel services, such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services, or (iii) rental to roomers or boarders, that is, rental to one or more persons of only a portion of a residence on a Lot.

(c) Temporary Structure Use. No incomplete structure or structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used at any time as a residence, either temporarily or permanently.

(d) Hobbies. Hobbies or activities that tend to detract from the aesthetic character of Stepping Stone, and improvements used in connection with such hobbies or activities, shall not be permitted unless carried out or conducted as directed by the Board of the HOA. This limitation has reference to, but is not limited to, such activities as automobile and boat repair.

(e) Offensive Activities. No activity noxious or offensive in the reasonable judgment of the Board of the HOA shall be carried on or permitted upon any part of Stepping Stone, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Without limiting the generality of the foregoing:

(i) Waste. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot or upon any portion of Stepping Stone;

(ii) Odors. Except for odors common in and around operating horse stable areas and horse riding trails, no offensive odors shall be permitted to arise or to be emitted therefrom so as to render any portion of Stepping Stone unsanitary, unsightly, offensive, or detrimental to any of the remainder of Stepping Stone, or to any Occupants thereof;

(iii) Lighting. No exterior lights, other than emergency lighting, the principal beam of which shines upon portions of Stepping Stone other than the Lot upon which they are located, or otherwise carry unreasonable interference with the use and enjoyment of any Lot by the Occupants thereof shall be permitted on any Lot, provided that lighting of model homes and the Common Elements, including those to mark or illuminate horse and walking trails, and lighting for the Equestrian Center Parcel, shall not be prohibited nor constitute an unreasonable interference with the use or enjoyment of any Lot or Occupant; and

(iv) Sound. No speakers, horns, whistles, bells or other sound devices, shall be located, used or placed on any Lot, except security devices used exclusively for security purposes which are activated only in emergency situations or for testing thereof. Music, either live or by recording device, that is so loud as to disturb one's neighbors, is prohibited.

(f) Service Screening, Storage Areas. Garbage and refuse shall be placed in containers, which shall be concealed and contained within buildings until the time scheduled for pick up and disposal. Except during the active period of construction on any Lot, no materials, supplies or equipment shall be stored on any Lot except inside closed buildings.

(g) Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated or maintained in Stepping Stone except such machinery or equipment reasonably necessary for use in connection with maintenance, or construction of improvements approved by the Architectural Review Board, or reasonably necessary for use in connection with the operation of the Equestrian Center.

(h) Vehicles, Trailers, Boats, Commercial Vehicles and Motor Homes. No automobile may be left upon any Lot or Reserve for a period longer than twenty-four (24) hours in a condition such that it is incapable of being operated upon the public highways, after which time the vehicle shall be considered as a nuisance and detrimental to the welfare of the neighborhood and shall be removed from Stepping Stone. Any towed vehicle, boat, motor home or mobile home regularly stored upon any portion of Stepping Stone, or temporarily kept thereon for periods longer than twenty-four (24) hours, shall be considered a nuisance and shall be removed from Stepping Stone. The

foregoing, however, does not apply to such boats or other vehicles, whether motor-driven or towed, as are stored wholly within private garages. No commercial vehicles may be parked, stored or temporarily kept on any Lot or Reserve, except when there temporarily to service existing improvements or to be used in connection with the construction of improvements in Stepping Stone. Only automobiles and authorized trucks may be parked on the driveways or outside of private garages. An authorized truck is a truck of one ton capacity or less that exhibits no external evidence of commercial use. Notwithstanding the foregoing, the Board of the HOA shall have the right, in its sole discretion, to determine whether or not a particular vehicle type, or any particular vehicle, is authorized, and to authorize, in its sole discretion, the maintaining of horse transportation and maintenance vehicles and apparatus on the Equestrian Center Parcel.

(i) Animals. Except as hereinafter provided, and except for horses properly boarded in the horse stable or properly at the Equestrian Center, or properly using the horse riding trails, in accordance with all rules adopted by the Board of the HOA, no animals, livestock, birds, poultry or other fowl, snakes, reptiles, or species of insects, shall be raised, bred, kept, or maintained on any Lot, or any portion thereof. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in a residence on a Lot provided that: (i) no more than three of any type of animal may be maintained in any residence (except when less than three months of age); (ii) the maintaining of animals shall be subject to such rules and regulations as the Board of the HOA may from time to time promulgate, including, without limitation, the right to place limitations on the size and type of such pets, and the right to levy enforcement charges against persons who do not clean up after their pets; and (iii) the right to maintain an animal shall be subject to termination if the Board of the HOA, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on other owners or Occupants, or Stepping Stone as a whole.

(j) Open Fires. Open fires, leaf burning, trash burning, or the like, excepting only domestic use of commercially made barbecue grills and fire pits, are prohibited.

Section 2. Building, Improvement, and Other Limitations.

(a) Lot Splits. No Lot shall be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, unless approved by the HOA and all governmental authorities having jurisdiction.

(b) Dwelling Size. No building shall be constructed on a Lot except one single family dwelling that does not exceed two and one-half stories in height, and that, exclusive of basements, garages, attics, and open porches and patios has a minimum square foot floor area of 1,800 square feet.

(c) Garages. Each single family residence must have at least a two-car garage.

(d) Outbuildings, Temporary Improvements. Except as otherwise provided, no outbuildings, storage sheds or temporary buildings or structures, shall be permitted; provided, however, (i) trailers, temporary buildings, barricades and the like shall be permitted for construction purposes during the construction period of a permanent building and for sales purposes during the sale of a Lot or Lots, and (ii) detached garages, with or without guest or help quarters, may be permitted; provided in either such case, Declarant or the Architectural Review Board shall have theretofore approved in writing the installation, design, appearance, and location of the same. Any temporary structure shall be removed not later than fourteen (14) days after the date of

completion of construction of the building(s) for which the temporary structure was intended, and temporary structures shall be permitted for no longer than a period of one (1) year, unless a variance is granted by the Architectural Review Board.

(e) Antennas. No antenna or dish for transmission or reception of television signals, radio signals, or any other form of electromagnetic radiation shall be erected, used or maintained on any Lot outside any building, whether attached to an improvement or otherwise, including, but not limited to satellite dishes, unless approved by the Architectural Review Board, or unless required to be permitted by law, but subject to such lawful rules and regulations as the Board of the HOA may from time to time adopt, and the further limitation that satellite dishes may not exceed twenty four (24) inches in diameter and must be erected or installed to minimize visibility from the street which the Dwelling on the Lot fronts.

(f) Utility Service. No lines, wires or other devices providing utility services, including telephone, television, data, and radio signals, or for transmission of electric current or energy, shall be constructed, placed or maintained anywhere in Stepping Stone unless the same shall be in or by conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings, or other approved improvements; provided, above ground electrical transformers and other equipment may be permitted if properly screened and approved by the Board. In addition, all gas, water, sewer, oil and other pipes for gas or liquid transmission shall also be placed underground or within or under buildings. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved improvements.

(g) Improvement Location. All Improvements shall be placed so that the existing topography and landscape shall be disturbed as little as possible, and so that the maximum number of desirable trees and other natural features will be preserved, unless the Architectural Review Board or Declarant approves in writing some other placement. All Dwellings must be situated between the front and rear setback lines, as shown on the plat of Stepping Stone. For purposes hereof, eaves and steps shall not be considered part of a Dwelling, provided that this shall not be construed to permit any portion of any Dwelling to encroach on another Lot or a Reserve. No improvements shall be constructed in any areas designated on a plat of Stepping Stone "no build tree preservation zone", or similar designation, except horse riding and walking trails and improvements necessary to make the same useable and safe. No obstruction of a horse riding or walking trail to the free passage of horses and pedestrians shall be permitted.

(h) Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight-lines.

(i) Storage Tanks. No storage tanks, including, but not limited to, those used for storage of water, gasoline, oil, other liquid or any gas, shall be permitted in Stepping Stone outside a building, except (a) storage tanks used during the construction of residences; (b) propane tanks having a capacity of thirty (30) pounds or less, for use to power a gas grill; and (c) storage tanks, if any, necessary for the operations of the Equestrian Center.

(j) Improvement Exteriors. All windows, porches, balconies and the exteriors of buildings and other improvements shall at all times be maintained in a neat, clean and orderly condition. No clotheslines or other outside drying or airing facilities shall be permitted on the exterior of any Dwelling, and no clothing or any other household fabrics shall be hung in the open on any Lot or Reserve.

(k) Exterior Materials and Colors. Finish building materials shall be applied to all sides of the exteriors of buildings. Colors shall be harmonious and compatible with colors of the natural surrounding and other adjacent buildings. The Architectural Review Board shall have the right to approve or disapprove exterior materials and colors.

(l) Signs. No signs of any character shall be erected, posted or displayed in Stepping Stone except: (i) marketing signs installed by or with the consent of Declarant during the period of the initial sale of homes; (ii) street and identification signs installed by the HOA or Declarant; (iii) signs approved by Declarant or the Architectural Review Board with regard to the identification or use of the Equestrian Center Parcel and the horse and walking trails; and (iv) one temporary professional real estate sign on a Lot not to exceed five (5) square feet in area advertising that a Lot or residence is for sale.

(m) Landscaping. Stepping Stone Lots and appropriate Reserves shall be landscaped according to plans approved by Declarant or the Architectural Review Board, and by the appropriate governmental authorities. All shrubs, trees, grass and plantings of every kind shall be kept well maintained, properly cultivated and free of trash and other unsightly material. In the event a Lot owner fails to sod a Lot within the time limits established by the Declarant or the Architectural Review Board, Declarant or the HOA may provide and install the same, and if provided and installed by the HOA, the cost thereof may be assessed as a special individual assessment. Each Lot owner shall remove dead and diseased trees and limbs from that owner's Lot provided, however, that permission of the Board of the HOA shall be obtained before any tree or limb is removed from the no build tree preservation zones designated as such on plats of property a part of Stepping Stone.

(n) Maintenance. Subject to limitations on use and maintenance with respect to tree preservation in no build zones as shown and set forth on a plat of Stepping Stone, no Lot, building, or other improvement shall be permitted to become overgrown, unsightly or to fall into disrepair, and all buildings and improvements shall at all times be kept in good condition and repair and adequately painted or otherwise finished in accordance with specifications established by the Architectural Review Board.

(o) Drainage and Grading. No drainage ditches, cuts, swales, impoundments, mounds, knobs, or hills, and no other physical improvements or elements of the landscape or terrain which control or determine the location or flow of surface water and drainage pattern, may be destroyed, altered or modified by or at the direction or with the consent of any Lot owner without the prior consent of the Architectural Review Board. No Improvement shall be made in any manner whatsoever that is inconsistent with the master grading plans established by Declarant for Stepping Stone, or any part thereof, without the prior written consent of the Architectural Review Board. The Association and its representatives shall have the right to enter upon any Lot and any

other portion of Stepping Stone and remedy or repair any such destruction, alteration, modification, or improvement without being guilty of trespass and without liability to any owner with respect to the same or the consequences thereof.

(p) Soil Removal. No soil shall be removed from any Lot for commercial purposes.

(q) Fences. No fence, wall, or barrier of any kind may be maintained or erected on any Lot or Reserve, except as required by law, or with the prior written approval of the Architectural Review Board, or as hereinafter provided. Notwithstanding the foregoing or any other provision hereof, fences presently in the Equestrian Center Parcel shall continue to be permitted, maintained and replaced as necessary, and additional fencing on the Equestrian Center Parcel, and partial fencing along horse riding and walking trails constructed and maintained for safety purposes, shall be permitted, subject to approval by the Architectural Review Board.

(r) Swimming Pools. Above-ground swimming pools and portable swimming pools (other than hot tubs not exceeding one hundred (100) square feet of surface area) are not permitted. Swimming pools permitted, if any, shall be visually screened.

(s) Solar Panels. No solar panels shall be permitted.

(t) Window Air Conditioning Units. No window air conditioning unit shall be permitted in any front or side window of a Dwelling.

(u) Storage. No open storage of any kind shall be permitted. No accessory building, in addition to the actual Dwelling itself, shall be permitted on any Lot, for any purpose whatsoever.

(v) Governmental Regulations. Each building site is subject to all present and future applicable laws, ordinances, rules, regulations and orders of the United States Government, the State of Ohio, Franklin County, Jefferson Township, or any other political subdivision and any administrative agency of any of the foregoing having jurisdiction thereof. Nothing herein shall be construed as permitting any action or condition prohibited by such applicable laws, ordinances, rule, regulations and orders. In the event of any conflict between any such applicable laws, ordinances, rules, regulations and orders and these protective covenants, the most restrictive provisions shall govern and control.

(w) Tree Preservation. No ornamental tree (including evergreen trees) having a height of six feet or more, lying between the barn on the Equestrian Center Parcel and Additional Property, Parcel 2, shall be removed unless replaced by a replacement ornamental tree having a height of six feet or more, without the express prior consent of the HOA Board, and the present owners of the Additional Property, Parcel 2, if they still own that property.

ARTICLE VI

REPAIR AND MAINTENANCE RESPONSIBILITIES

Section 1. The HOA. The HOA, to the extent and at such times as the HOA Board, in its exercise of business judgment, determines to allocate funds therefor, shall, at its cost, maintain, repair and replace all improvements constituting a part of the Common Elements (other than the Equestrian Center Parcel and improvements thereon, and horse riding trails), including, but not limited to, sidewalks, subdivision entryway features, landscape islands, private common utility lines and apparatus outside of Lots, and landscaped, green and open areas outside of Lots, reserving the right to repair and maintain the Equestrian Center Parcel facilities and improvements and the horse riding trails, if the EOA fails to do so.

Section 2. The EOA. The EOA shall be responsible, at its cost, to repair and maintain the Equestrian Center Parcel and all improvements thereon, and maintain the horse riding trails, all on the terms and subject to the provisions of an agreement between the HOA and the EOA.

Section 3. Lot Owners. The maintenance, repair, and replacement of a Dwelling and other Improvements on a Lot shall be the responsibility of the owner or owners of that Lot, at the cost of that Lot owner or owners. In the event the need for maintenance or repair of any part of the Common Elements is caused by the negligent or intentional act of any Lot owner or Occupant, or is as a result of the failure of any Lot owner or his, her, its or their predecessors in title to timely pursue to conclusion a claim under any warranty, express, implied, or imposed by law, the HOA may perform the same, and the cost thereof shall constitute a special individual Lot assessment and charge, as hereinafter defined, on the Lot owned by that Lot owner or owners and on that Lot. The determination that such maintenance or repair is necessary and/or has been so caused, shall be made by the Board of the HOA. In the interests of maintaining uniform appearance and standards of care and maintenance of lawns and landscaping for all of Stepping Stone, the HOA, through its Board, may, from time to time establish rules and regulations regarding and establishing minimum requirements for lawn and landscape maintenance, such as, but not limited to, standards respecting types of permitted landscaping, mowing and trimming requirements, etc.

ARTICLE VII

UTILITY SERVICES

Each Lot owner by acceptance of a deed to a Lot agrees to pay for utility services separately metered or separately charged by the utility company to that Lot, and to reimburse the HOA for that owner's Lot's share of any utility cost or anticipated cost that the Board reasonably determines is or will be attributable to use by that owner's Lot. Any such share shall constitute a special individual Lot assessment, as hereinafter provided. The HOA shall arrange for the provision of utility services to the Common Elements and shall pay the costs of such services separately metered to the HOA by the utility company, provided that utility services provided to the Equestrian Center Parcel shall be paid for by the EOA, reserving the right to the HOA to pay the same if the EOA fails to do so.

ARTICLE VIII

INSURANCE; LOSSES; BONDS

Section 1. Fire and Extended Coverage Insurance. The HOA Board shall have the authority to and shall obtain insurance for buildings, structures, fixtures and equipment and common personal property, now or at any time hereafter constituting a part of the Common Elements, including the Equestrian Center facilities, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against by standard coverage endorsements, with such limits and coverage as is deemed appropriate by the Board. This insurance:

(a) shall provide that no assessment may be made against a first mortgage lender, or its insurer or guarantor, and that any assessment under such policy made against others may not become a lien on a Lot and its appurtenant interest superior to a first mortgage;

(b) shall be obtained from an insurance company authorized to write such insurance in the State of Ohio, which has a current rating of Class BVI, or better, or, if such company has a financial rating of Class V, then such company must have a general policy holder's rating of at least A, all as determined by the then latest edition of Best's Insurance Reports or its successors guide, or, if the insurer does not satisfy these rating requirements, that insurer is reinsured by a company that has a BVI or better rating;

(c) shall be written in the name of the HOA;

(d) shall provide that the insurance carrier shall notify all first mortgagees named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy; and

(e) unless otherwise determined by the Board, shall contain a waiver of subrogation of rights by the carrier as to the HOA, its officers and Trustees, and all Lot owners.

Section 2. Liability Insurance.

(a) The HOA shall obtain and maintain a comprehensive policy of general liability insurance covering all of the Common Elements insuring the HOA, the Trustees, and the Lot owners and Occupants, with such limits as the Board of the HOA may determine, but no less than the greater of (a) the amounts generally required by private institutional mortgage investors for projects similar in construction, location and use, and (b) \$1,000,000, for bodily injury, including deaths of persons, and property damage, arising out of a single occurrence. This insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of Lot owner because of negligent acts of the HOA, the HOA Board, or other Lot owners and shall include, without limitation, coverage for legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to the employment contracts of the HOA. Each such policy must provide that it may not be canceled or substantially modified by any party, without at least ten (10) days prior written notice to the HOA and eligible holders of first mortgage liens on a Lot or Lots.

(b) The EOA shall comply with the requirements for issuance of, and obtain and maintain an equine commercial comprehensive general liability insurance policy in such amounts and on such terms as the HOA Board may from time to time prescribe, which policy names the HOA, its trustees and officers, and such others as the HOA Board determines, as co-insureds.

Section 3. Other Insurance. In addition, the Boards of the HOA and EOA may purchase and maintain contractual liability insurance, trustees' and officers' liability insurance, and such other insurance as those Boards may determine.

ARTICLE IX

GRANTS AND RESERVATIONS OF RIGHTS AND EASEMENTS

Section 1. Easements of Enjoyment; Limitations. Every Lot owner shall have an unrestricted right of access to and from his, her, its or their Lot, subject to the right of the Board of the HOA to make reasonable rules and regulations concerning the use and management of the Lots and Common Elements, provided that no such rule or regulation shall limit or prohibit the right of ingress and egress of an Occupant or Lot owner to a Lot, or any part thereof. Each Lot owner shall be deemed to have delegated that Lot owner's right of enjoyment of ingress and egress to the Occupants of that owner's Lot. In addition, all Lot owners and Occupants of Dwellings on Lots, and their guests, shall have the right to enter and utilize the other Common Elements of Stepping Stone, for the purposes for which they are designed and intended, provided that such uses shall be subject to the restrictions and covenants contained herein, restrictions set forth on a plat of Stepping Stone, and all rules and regulations established by the Board of the HOA, from time to time, and all rules and regulations of the EOA Board regarding use of the Equestrian Center Parcel and its facilities, provided any such rules and regulations are designed and intended to protect the integrity of the equestrian operations and do not foreclose social use of the barn by the HOA or its designees that would not unreasonably interfere with its use as a horse boarding facility by the EOA.

Section 2. HOA and EOA Entry, Repair and Maintenance Easements. The HOA shall have a right of entry and access to, over, upon and through all of the Lots to enable the HOA to perform its obligations, rights and duties pursuant hereto with regard to maintenance, repair, and replacement of any Common Elements. The EOA shall have those same rights with respect to maintenance, repair and replacement of improvements a part of the Equestrian Center Parcel and with regard to the horse riding trails.

Section 3. Easements for Encroachments. Each Lot and the Common Elements shall be subject to and benefited by easements for encroachments on or by any other Lot and upon the Common Elements created or arising by reason of overhangs, or by reason of deviations in construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the Improvements. Valid easements for these encroachments and for the maintenance of same shall and do exist so long as the encroachments remain.

Section 4. Easement for Support. Every portion of a building or utility line or any Improvement on any portion of Stepping Stone contributing to the support of another building, utility line or improvement on another portion of Stepping Stone shall be burdened with an easement of support for the benefit of all other such buildings, utility lines, Improvements and other portions of Stepping Stone.

Section 5. Easement for Services. Non-exclusive easements are hereby granted to all police, firemen, ambulance operators, mailmen, delivery men, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and the HOA and EOA, but not to the public in general, to enter upon the Common Elements in the performance of their duties, subject to such reasonable rules and regulations as the Board of the HOA may establish, from time to time.

Section 6. Easements Reserved to Declarant. Non-exclusive easements are hereby reserved to Declarant and its assigns (a) over and upon the Common Elements for (i) access for such time as is necessary to construct homes on all Lots, and sell the same, provided that such right of access shall be to the extent, but only to the extent, that access thereto is not otherwise reasonably available, (ii) the periods provided for warranties hereunder or by law, for purposes of making repairs required pursuant to those warranties or pursuant to contracts of sale made with home purchasers, and (b) for the period necessary to construct homes on all the Lots, and sell the same, to maintain and utilize one or more Lots, and Improvements thereon, for sales and management offices, for storage and maintenance, for model homes, for parking areas for sales and rental purposes, and for advertising signs. The rights and easements reserved pursuant to this section, shall be exercised and utilized, as the case may be, in a

reasonable manner, and in such way as not to unreasonably interfere with the operation of the HOA or EOA and the rights of Lot owners and Occupants of Dwellings on Lots.

Section 7. Power of Attorney. Each Lot owner, by acceptance of a deed to a Lot, appoints the HOA or its designated representative, as his, her, its, or their attorney-in-fact, to execute, deliver, acknowledge and record, for and in the name of such Lot owner, such deeds of easement, licenses, permits, and other instruments as may be necessary or desirable, in the sole discretion of the Board of the HOA, or its authorized representative, to further establish or effectuate the foregoing easements and rights. This power is for the benefit of each and every Lot owner, the HOA, and the real estate to which it is applicable, runs with the land, is coupled with an interest, and is irrevocable.

Section 8. General. Unless specifically limited herein otherwise, the easements described herein shall run with the land and pass with the title to the benefited properties, shall be appurtenant to the properties benefited thereby, shall be enforceable by the owners of the properties benefited thereby, and shall be perpetual. The easements and grants provided herein shall in no way affect any other recorded grant or easement. Failure to refer specifically to any or all of the easements and/or rights described in this declaration in any deed of conveyance or in any mortgage or other evidence of obligation shall not defeat or fail to reserve said rights or easements but the same shall be deemed conveyed or encumbered, as the case may be, along with the Lot.

ARTICLE X

ASSESSMENTS AND ASSESSMENT LIENS

Section 1. Types of Assessments. Subject to the provisions of this Article, each Lot (other than a Lot, if any, becoming Exempt Property) shall be subject to the following assessments, the owner or owners of which Lot by acceptance of a deed to a Lot (whether or not it shall be so expressed in such deed) covenant and agree to pay to the HOA: (a) operating assessments, (b) special assessments for capital improvements, (c) user fees, and (d) special individual assessments, all of which are to be established and collected as hereinafter provided. In addition, by acceptance of a deed to a Lot the owner or owners covenant and agree that if the HOA fails to repair or maintain the Common Elements, and Jefferson Township finds it necessary to maintain it, Jefferson Township shall succeed to the power of the HOA to assess for such work done by Jefferson Township.

Section 2. Operating Assessments. For the purposes of providing funds to pay:

-the cost of the maintenance, repair, replacement, and other services to be provided by the HOA;

-the costs for insurance and bond premiums to be provided and paid for by the HOA;

-the estimated cost for utility services charged to or otherwise properly payable by the HOA;

-the estimated amount required to be collected to maintain a general operating reserve to assure availability of funds for normal operations of the HOA, in an amount deemed adequate by the Board of the HOA;

-an amount deemed adequate by the Board of the HOA to maintain a reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements for which cash reserves over a period of time in excess of one year ought to be maintained; and

-the estimated next periods costs for the operation, management and administration of the HOA, including, but not limited to, fees for property management, fees for legal and accounting services, costs of mailing, postage, supplies and materials for operating the HOA, and the salaries, wages, payroll charges and other costs to perform these services, and any other costs constituting common expenses not otherwise herein specifically excluded;

the HOA shall establish and collect operating assessments determined as follows:

(a) Prior to Turnover Date.

(i) Commencing the later of (a) the first full month following the conveyance of a Lot by Declarant, (whether to a builder, developer, home buyer, related party, or otherwise) and (b) July 1, 2001, that Lot and its owner or owners shall be subject to and pay to the HOA an operating assessment for the twelve calendar months commencing July 1 and ending the following June 30 of that twelve month period during which the Lot became subject to operating assessments, or in the case of Lots and its owners becoming subject to operating assessments July 1, 2001, for that twelve calendar month period commencing July 1, 2001. The operating assessment on a Lot becoming subject to such assessment after July 1, 2001, shall be prorated for the year during which it became subject in the proportion that the number of full calendar months remaining in that twelve calendar month period from the date of the closing of the conveyance of that Lot is to twelve.

(ii) Until the earlier of July 1, 2003 and the Turnover date, the operating assessment shall be at the rate of Three Hundred Sixty Dollars (\$360.00) per year. Until that time, Declarant shall pay all operating expenses incurred by the HOA which exceed the amounts so assessed.

(b) Subsequent to Turnover Date. Before the time of the commencement of the first annual operating assessment after the Turnover Date, and before the commencement of each annual assessment period thereafter, the members of the Board of Trustees of the HOA shall establish a budget for anticipated operating expenses for the next following annual operating assessment period, and apportion the amount so determined in equal shares among all Lots that have been conveyed by Declarant, and assess each such Lot and its owners for the apportioned amount. Operating assessments on Lots becoming subject to the same during an annual operating assessment period shall be prorated on the same terms and in the same manner as is provided in subparagraph (a)(i) of this section.

(c) Payments. All annual operating assessments shall be payable annually, in advance, and, in the case of a Lot and its owners becoming subject to the same after July 1, 2001, the prorated applicable portion thereof shall be payable at the time the Lot becomes subject to the operating assessment.

(d) Insufficient Collections. Except as provided in subparagraph (a)(ii) of this section, if the amounts collected for operating expenses are, at any time, insufficient to meet all obligations for which these funds are to be used, the deficiency shall be assessed by the Board of the HOA equally among all Lots subject to annual operating assessments.

Section 3. Special Assessments for Capital Improvements.

(a) In addition to operating assessments, the Board of the HOA from and after the Turnover Date, may levy, at any time, special assessments to construct, reconstruct or replace capital improvements on or constituting a part of the Common Elements to the extent that reserves therefor are insufficient, provided that new capital improvements not replacing existing improvements shall not be constructed nor funds assessed therefor, if the cost therefor in any fiscal year would exceed an amount equal to five percent (5%) of that fiscal year's budget, without the prior consent of Lot owners exercising no less than seventy-five percent (75%) of the voting power of Lot owners and the consent of eligible holders of first mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to mortgages held by eligible holders of mortgages appertain.

(b) Any such assessment shall be divided equally among all Lots and shall become due and payable on such date or dates as the Board of the HOA determines following written notice to all Lot owners.

Section 4. User Fees.

(a) The HOA, through its Board, shall have the power and authority to establish, assess, and collect from Lot owners and other permitted users of the Common Elements such charges and fees for use thereof as the Board of the HOA may, in its sole discretion, establish.

(b) The assessment and collection of charges and fees by the EOA shall be by it directly to its members, provided, if any such charges and fees are not paid when due, as prescribed by the EOA Board, that Board may certify the same to the HOA Board, which shall have the right and option, but not the duty, in its sole discretion, and on a case by case basis, to assess the same to the member of the EOA who owes the fee or charge and that EOA member's Lot or Lots, as a user fee, subject to and benefited by all other provisions hereof regarding all other assessments and the enforcement and collection thereof. The net proceeds realized by the HOA from collection of user fees and charges so collected for the EOA shall be first applied against fees and charges, if any, owed by the EOA to the HOA, and the balance, if any, paid to the EOA.

Section 5. Special Individual Assessments. The Board shall levy assessments against an individual Lot or Lots and the owner or owners thereof to reimburse the HOA for those costs incurred with respect to that Lot or those Lots and owners properly chargeable by the terms hereof to a particular Lot or Lots and owner or owners thereof, (such as, but not limited to, the cost of making repairs or installations the responsibility of a Lot owner or owners and costs for utility services properly chargeable pursuant hereto to individual Lots and their owners). In addition, all costs of enforcement of any provision of this Declaration, including, without limitation, all costs, expenses, and legal fees, shall be assessable hereunder. All such special assessments shall become due and payable on such date as the Board of the HOA determines.

Section 6. Effective Date of Assessment. Any assessment created pursuant hereto shall be effective, provided it is created as provided herein, if written notice of the amount thereof is sent by the Board of the HOA to the Lot owner subject thereto at least ten (10) days prior to the due date thereof. Written notice mailed or delivered to a Lot owner's Lot shall constitute notice to that Lot owner, unless the Lot owner has delivered written notice to the Board of the HOA of a different address for such notices, in which event the mailing of the same to that last designated address shall constitute notice to that Lot owner.

Section 7. Effect of Nonpayment of Assessment; Remedies of the HOA.

(a) If any assessment or portion of any installment of any assessment is not paid within ten (10) days after the same has become due, the Board of the HOA, at its option, without demand or notice, may (i) charge interest on the entire unpaid balance at the highest rate of interest then permitted by law, or at such lower rate as the Board of the HOA may from time to time determine, and (ii) charge a reasonable, uniform, late fee, as determined from time to time by the Board of the HOA.

(b) Operating and special assessments, and user fees, together with interest, late fees, and all collection and enforcement costs, including reasonable attorney fees, shall be a charge and a continuing lien in favor of the HOA upon the Lot against which each such assessment is made.

(c) At any time after an assessment or user fee or any portion of any installment of an assessment or user fee levied pursuant hereto remains unpaid for ten (10) or more days after the same has become due and payable, a certificate of lien for all or any part of the unpaid balance of that assessment, interest, late fees, and costs, including attorney fees, may be filed with the Franklin County Recorder, pursuant to authorization given by the Board of the HOA. The certificate shall contain a description of the Lot against which the lien exists, the name or names of the record owner or owners thereof, and the amount of the unpaid portion of the assessments and charges, and shall be signed by such officer of the HOA as the Board shall designate.

(d) The lien provided for herein shall remain valid for a period of five (5) years from the date a certificate of lien or renewal certificate was duly filed therefor, unless sooner released or satisfied in the same manner provided by law in the State of Ohio 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.

(e) Any Lot owner or owners who believe that an assessment or user fee chargeable to his, her, its or their Lot (for which a certificate of lien has been filed by the HOA) has been improperly charged against that Lot, may bring an action in the Court of Common Pleas of Franklin County for the discharge of that lien. In any such action, if it is finally determined that all or a portion of the assessment or user fee has been improperly charged to that Lot, the court shall make such order as is just, which may provide for a discharge of record of all or a portion of that lien.

(f) Each such assessment or user fee, together with interest, administrative charges, late fees and costs, including reasonable attorney fees, shall also be the joint and several personal obligation of the Lot owners who owned the Lot at the time when the assessment or user fee fell due. The obligation for delinquent assessments, user fees, interest, late charges and costs shall not be the personal obligation of that owner or owners' successors in title unless expressly assumed by the successors, or required by applicable law, provided, however, that the right of the HOA to a lien against that Lot, or to foreclose any lien thereon for these delinquent assessments, user fees, interest, late charges and costs, shall not be impaired or abridged by reason of the transfer, but shall continue unaffected thereby.

(g) The HOA, as authorized by the Board, may file a lien or liens to secure payment of delinquent assessments, user fees, interest, late fees, and costs, including attorney fees, bring an action at law against the owner or owners personally obligated to pay an unpaid obligation to the HOA, and an action to foreclose a lien, or any one or more of these. In any foreclosure action, the owner or owners affected shall be required to pay a reasonable rental for that Lot during the pendency of such action, and the HOA as plaintiff in any such foreclosure action shall be entitled to become a purchaser at the

foreclosure sale. In any such foreclosure action, interest and costs of such action (including attorneys' fees) shall be added to the amount of any such assessment or user fee to the extent permitted by Ohio law.

Section 8. Certificate Regarding Assessments and User Fees. The Board of the HOA shall, upon demand, for a reasonable charge, furnish a certificate signed by a designated representative of the HOA, setting forth whether the assessments, its user fees, and user fees certified to it by the EOA, on a specified Lot have been paid. This certificate shall be conclusive evidence of payment of any assessment and user fees therein stated to have been paid.

Section 9. Subordination of the Lien to First Mortgages. The lien of the assessments and charges provided for herein shall be subject and subordinate to the lien of any duly executed first mortgage on a Lot recorded prior to the date on which such lien of the HOA arises, and any holder of such first mortgage which comes into possession of a Lot pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid installments of assessments and charges against the mortgaged Lot which became due and payable prior, in the case of foreclosure, to the date of the sale, and, in all other cases, to the date legal title vested in the successor owner.

ARTICLE XI

USE OF FUNDS

Section 1. Application of Assessments and User Fees. The HOA shall apply all funds received by it pursuant hereto, and all other funds and property received by it from any source, to the fulfillment of the purposes of the HOA as hereinbefore provided.

Section 2. Authority to Borrow Funds. In order to secure the repayment of any and all sums borrowed by it, loaned to it, or owed by it, from time to time, the HOA is hereby granted the right and power to mortgage and pledge all revenue received and to be received and/or to assign and pledge all revenues received or to be received by it under any provisions of these covenants, including, but not limited to, the proceeds of the assessments payable hereunder. The amounts, terms and rates of all borrowing and the provisions of all agreements with holders or owners of any such debt obligation shall be subject solely to the decision of the Board of the HOA acting in its absolute discretion.

Section 3. Authority to Maintain Surplus. The HOA shall not be obligated to spend in any particular time period all the sums collected or received by it in such time period or in any other time period and may carry forward, as surplus, any balances remaining; nor shall the HOA be obligated to apply any such surpluses to the reduction of the amount of the assessment in any year, but may carry forward from year to year and time to time such surplus as the Board of the HOA in its absolute discretion may determine to be desirable for the greater financial security of the HOA and the effectuation of its purposes.

Section 4. Authority to Enter Into Contracts. The HOA shall have the power and authority to contract with any person, corporation, firm or other entity, including, but not limited to, Declarant, for the exercise of any one or more of the various powers and authority granted to and duties to be performed by the HOA hereunder, and to delegate such powers and authority to any agent or employee of the HOA, and the exercise of those powers and authority by such person, corporation, firm, entity, agent or employee shall be deemed the exercise of those powers and authority by the HOA, except that no independent contractor shall be deemed by virtue of these provisions to be the agent of the HOA. There shall be no requirement of any bond or surety for the HOA, its agents, employees, or others assuring the exercise of the powers and authority granted hereunder, except as the Board of Trustees of the HOA shall in its sole discretion deem necessary or desirable for the safeguarding of any funds received by the HOA.

ARTICLE XII

CONSTRUCTIVE NOTICE AND ACCEPTANCE

Every person who now or hereafter owns or acquires any rights, title or estate in any Lot is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not a reference to these is contained in the instrument by which that person acquired an interest in that Lot.

ARTICLE XIII

RIGHTS OF MORTGAGEES

Section 1. Notices. Any eligible holder of a first mortgage upon a Lot, upon written request to the HOA (which request shall state the name and address of such holder or insurer and a description of the Lot) shall be entitled to timely written notice of:

- (a) any proposed amendment of these restrictions;
- (b) any proposed termination of the HOA or EOA;
- (c) any decision to construct significant new capital improvements not replacing existing improvements;
- (d) any default under these restrictions which gives rise to a cause of action by the HOA against the owner of the Lot subject to the mortgage of such holder or insurer, where the default has not been cured in sixty (60) days; and
- (e) times and places of meetings of members of the HOA and EOA.

Section 2. Inspection of Books and Records. Each holder and insurer of a first mortgage on any Lot shall be entitled, upon request, to:

- (a) inspect the books and records of the HOA, and of a mortgage on a Lot whose owner is a member of the EOA, the books and records of the EOA, during normal business hours; and
- (b) require the preparation of and receive annual financial statements of the HOA and EOA for the immediately preceding calendar year, certified by an officer of the HOA or EOA, as appropriate, except that such statement need not be furnished earlier than one hundred twenty (120) days following the end of such calendar year.

The Lot owners shall also have reasonable access to inspect the books, records and financial statements of the HOA, and those who are members of the EOA, the books, records and financial statements of the EOA.

ARTICLE XIV

ENFORCEMENT

Section 1. Interpretation. In case of uncertainty as to the meaning of any article, paragraph, sentence, clause, phrase or word contained herein, the interpretation by the Board of the HOA, provided it is reasonable, shall be final and conclusive upon all interested parties.

Section 2. Violation Abatement. Violation or breach of any restriction contained herein shall give to the HOA the right to enter the Lot involved and correct the violation at the expense of the owner or owners of the Lot involved, the cost of which (including administrative charges and attorney fees) may be assessed and collected as a special individual Lot assessment.

Section 3. Arbitration. The interpretation of the Board of the HOA as to the application of the restrictions contained herein or any rule or regulation promulgated by the Board of the HOA, shall be binding upon all Lot owners until all Lots with Dwellings on them have been conveyed to purchasers in good faith and for value. Thereafter, in the event of any dispute between Lot owners as to the application of the restrictions or any rule or regulation promulgated by the Board of the HOA, the party aggrieved shall submit a complaint in writing to the Board of the HOA specifying the dispute. The Board of the HOA shall set a time, date and place for a hearing within sixty (60) days thereafter, and give written notice to each party no less than three (3) days in advance of the hearing. The Board of the HOA shall hear such evidence on the dispute as it deems proper and render a written decision on the matter within thirty (30) days of the hearing. No action at law may be instituted by either party to such a dispute unless arbitration pursuant hereto has first been had.

Section 4. Legal Actions. Subject to the foregoing, the HOA and each Lot owner, shall have the right to enforce the provisions hereof by legal and/or equitable action, and to cause any violation to be remedied, by injunction or otherwise, or to collect damages. All remedies provided herein shall be cumulative, and not exclusive.

Section 5. Failure to Enforce. Failure of the HOA or any Lot owner to enforce any provision hereof shall in no way be deemed a waiver of the right to do so thereafter for the same or any other violation, or to enforce any other provision hereof.

Section 6. Duty to Enforce. Notwithstanding any other provision hereof, neither Declarant, nor any builder of a Dwelling on a Lot, nor the HOA, nor the EOA, shall owe a duty to any Lot owner, or any party claiming through a Lot owner, to enforce any covenant, restriction, condition, term, or provision of this Declaration. By purchasing a Lot, the owners thereof and their respective personal representatives, heirs, successors and assigns hereby waive any claim against Declarant, any builder, the HOA and EOA, and release Declarant, the HOA, and the EOA from any liability arising from the failure to enforce any provisions hereof.

ARTICLE XV

EFFECTIVE PERIOD; AMENDMENT

Section 1. Effective Period. The covenants and restrictions set forth herein shall run with and bind the property subjected hereto, and each portion thereof, for a period of forty (40) years from the time of the recording hereof, after which time the same shall be automatically extended for successive period of ten (10) years unless terminated, modified, or amended as provided in Sections 2 and 3 hereof.

Section 2. Amendments. This Declaration may be modified or amended:

(a) by Declarant, so long as it owns a Lot, or the HOA by its Board, for the limited purpose and to the extent necessary to correct typographical or factual errors or omissions, if any, to meet the requirements of any institutional lender, or to clarify or amplify upon any of the provisions hereof, provided that no such amendment would impair the interest of any Lot owner, mortgagee, or mortgage loan insurer or guarantor, and provided, further, that if there is a Lot owner other than Declarant it may not be amended by it to enhance Declarant's rights hereunder. Declarant and the Board of the HOA, shall have the power to grant variances from these restrictions when found necessary to avoid or eliminate hardship.

(b) with the approval of Lot owners holding not less than two-thirds of the voting power of the Lot owners in the HOA, provided that any such amendment during the first five (5) years after the date of the recording hereof must also be approved by Declarant, and provided, further, that the consent of all Lot owners shall be required for any amendment which effects a change in the voting power of any Lot owner, the share of expenses of the HOA or EOA of any Lot owner, or the fundamental purposes for which the HOA or EOA are organized, or which results in the termination of the HOA or EOA or the overall plan of restrictions set forth herein.

Section 3. Method to Amend. An amendment to this Declaration, adopted with the consents aforesaid, shall be executed with the same formalities as to execution as this Declaration by the president and secretary of the HOA and shall contain their certifications that the amendment was duly adopted in accordance with the foregoing provisions. Any amendment so adopted and executed shall be effective upon the filing of the same with the Recorder of Franklin County, Ohio.

ARTICLE XVI.

GENERAL PROVISIONS

Section 1. Joint and Several Obligations. Each and every obligation of a Lot owner hereunder shall be the joint and several obligation of each Lot owner of a fee simple interest in that Lot, and any demand, notice or other communication or action given or taken hereunder or pursuant hereto or by one of such joint owners, shall be deemed given, taken or received by all such joint Lot owners.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Constructive Notice and Appearance. Every person who now or hereafter owns or acquires any rights, title or estate in any portion of the property subject hereto is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein whether or not a reference is contained in the instrument by which such person acquired an interest in this property.

Section 4. Mutuality. All restrictions, conditions and covenants contained herein are made for the direct, mutual, and reciprocal benefit of Declarant, the HOA, and the present and future owners of Lots and Reserves subjected hereto, and each part thereof, and their respective personal representatives, heirs, successors, and assigns; the provisions hereof shall create mutual equitable servitudes upon the property submitted to these restrictions and each part thereof in favor of each other part thereof and any property referred to herein as benefited hereby; the provisions hereof shall create reciprocal rights and obligations between the respective owners of all such property and privity of contract and estate between all owners thereof; and the provisions hereof shall, as to the owner of any such property, his, her, its or their respective heirs, personal representatives, successors and assigns, operate as covenants running with the land for the benefit of all such property and the owners thereof.

Section 5. Captions. The captions or headings of the parts hereof are intended for convenience only and are not intended to be a part of the context hereof, and do not in any way define, limit, or describe the scope or intent of any provision hereof.

IN WITNESS WHEREOF, this Declaration has been duly signed, acknowledged and delivered by Stepping Stone Development, LLC, an Ohio limited liability company, on or as of the date first hereinbefore set forth.

Signed and acknowledged
by both in the presence of:

Rachel Lebbie
(Print Name) Rachel Lebbie
Kendra Wolford
(Print Name) KENDRA WOLFORD

STEPPING STONE DEVELOPMENT, LLC

By C. V. PERRY & CO.,
an Ohio corporation, Member

By James E. Frey
James E. Frey, Executive Vice President
and

By TRUBERRY GROUP, INC.,
an Ohio corporation, Member

By Scott C. Shively
Scott C. Shively, Secretary

STATE OF OHIO
COUNTY OF FRANKLIN, SS:

The foregoing instrument was executed this 8th day of December 2000, by James E. Frey, Executive Vice President of C. V. Perry & Co., an Ohio corporation, and member of Stepping Stone Development, LLC, an Ohio limited liability company; and by Scott C. Shively, Secretary of Truberry Group, Inc., an Ohio corporation, and member of Stepping Stone Development, LLC; both on behalf of and as the act and deed of Stepping Stone Development, LLC.



EUGENE R. PERRY
Notary Public, State of Ohio
My Commission Expires 08-03-04

[Signature]
Notary Public

This instrument prepared by Richard L. Loveland, attorney at law, Loveland & Brosius, 50 West Broad Street, Suite 3300, Columbus, Ohio 43215-5917.