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Article I

Definitions

Section 1. “Annexation Deed” shall mean a deed recorded pursuant to Article VIII of this Deed to submit additional Development Area or other real property to the jurisdiction of the Association.

Section 2. “Annexed Area” shall mean any real property subjected to the jurisdiction of the Association as provided in Article VIII of this Deed.

Section 3. “Assessments” shall mean Assessments for common expenses to be used for the purposes of maintaining the Community Area and the areas within the boundaries of any Lot that may be required to be maintained by the Association pursuant to an easement or otherwise, and of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and the occupants of the Lots and Residential Units against which the specific Assessment is levied, all as may be specifically authorized from time to time by the board of Trustees and as more particularly authorize herein.

Section 4. “Association” shall mean and refer to Brookstone Community Association, Inc., an Ohio nonprofit corporation, its successors and assigns. The “Board of Trustees” or “Board” shall have the normal meaning assigned to such an elected body under Ohio nonprofit corporation law.

Section 5. “Code of Regulations” shall refer to the Code of Regulations of Brookstone Community Association, Inc.

Section 6. “Committee” shall mean the Brookstone Design Committee established in Article XI of this Deed.

Section 7. “Common Expenses” shall mean and include the actual and estimated expenses of operating the Association for general purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this deed, the Code of Regulations, and the Articles of Incorporation of the Association.

Section 8. “Community Area” shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners, including but not limited to all appurtenant rights and easements.

Section 9. “Community-Wide Standard” shall mean the standard conduct, maintenance, or other activity generally prevailing in Brookstone. Such standard may be more specifically determined by the Board of Trustees of the Association.

Section 10. “Developer” shall mean Raven Development Company, and its successors and assigns.

Section 11. “**Development Area**” shall mean the real property described on Exhibit B attached to this Deed, whether or not annexed as provided in Article VIII of this Deed.

Section 12. “**Lot**” shall mean a portion of the Property and any improvements constructed thereon, other than the Community Area, intended for any type of independent ownership and use as may be set out in this Deed and as shown on the plat of survey filed with the Franklin County Recorder.

Section 13. “**Member**” shall mean a person or entity entitled to membership in the Association, as provided in Article II of this Deed.

Section 14. “**Neighborhood**” shall mean the Property or any Annexed Area designated as such in any Annexation Deed, as provided in Article VII, Section 6 of this Deed.

Section 15. “**Neighborhood Assessments**” shall mean amounts levied only against lots in a particular Neighborhood for payment of that Neighborhood’s expenses.

Section 16. “**Neighborhood Expenses**” shall mean expenses attributable to or incurred on behalf of lots in only one Neighborhood and assessed separately from and in addition to Common Expenses.

Section 17. “**Owner**” shall mean and refer to the record owner, or vendee under a recorded land installment contract, whether one or more persons or entities, of any Lot that is part of the Property, but excluding any party, such as land contract vendor, who holds the fee simple title merely as security for the performance of an obligation. The term Owner shall include the Developer.

Section 18. “**Person**” means a natural person, a trustee, a corporation, a partnership, or other legal entity.

Section 19. “**Property**” shall mean and refer to the real property described in Exhibit “A” attached to this Deed/

Section 20. “**Residential Unit**” shall mean the portion of the Property intended for any type of independent use and occupancy as a residence by a single family and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, apartment units, patio or zero lot line homes, and single family houses with attached or detached private garages constructed on separately platted lots, as may be developed, used and defined as herein provided. For purposes of this Deed, a “family” shall consist of no more than three (3) persons unless all members are related by blood, marriage, or adoption. For purposes of this Deed, a Residential Unit shall come into existence when substantially complete, as determined by the issuance of a certificate of occupancy by the appropriate government agency.

Section 21. “Restrictions” shall mean these covenants, restrictions, conditions, easements, and Assessments, together with all of the provisions contained herein as they now appear or as they may hereafter be amended.

Article II

Property Rights

Section 1. Owner’s Easement of Enjoyment. Every owner shall have, and Grantor does hereby grant to each Owner, a right and easement of ingress and egress, use, and enjoyment in and to the Community Area, which easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend an Owner’s voting rights and right to use any of the facilities for any period during which any assessment against that Owner’s Lot remains unpaid, and for any infraction by an Owner of the Association’s rules and regulations, for the duration of the infraction and for an additional period thereafter not to exceed thirty (30) days;

(b) the right of the Association to borrow money for the purpose of improving the Community Area or any portion thereof, for the purpose of acquiring additional Community Area, or for constructing, repairing, or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Community Area. As long as Developer owns any of the Development Area, Developer shall have the right to determine that the Association shall borrow funds and mortgage the Community Area as provided in this section, without any requirement that other Member approve Developer’s decision. In addition, the Association may exercise these rights provided such borrowing and mortgage have been approved by at least two-thirds (2/3) of the votes that those Members of the Association who are present or represented by proxy are entitled to cast at a meeting duly called for such purpose, and by Developer, as long as Developer owns any of the Development Area/ The lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interest, options, easements, and privileges reserved or established in this Deed for the benefit of the Developer or any Owner, or the holder of any mortgage, irrespective of when executed, given by the Developer or any Owner encumbering any Lot or other property located within the Development Area;

(c) the right of the Association to dedicate or transfer all or any portion of the Community Area to any public agency, authority, or utility for such

purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds (2/3) of the votes that those Members of the Association who are present or represented by proxy are entitled to cast at a meeting duly called for such purpose, and by Developer, as long as Developer owns any of the Development Area; and

(d) the right of the Association to charge reasonable admission and other fees for use of the Community Area facilities as provided in Article X, Section 1 of this Deed, and to impose reasonable limits on the number of guests who may use Community Area facilities.

Section 2. Delegation of Use. In accordance with the Code of Regulations and subject to any reasonable rules, regulations, and limitations that may be adopted in accordance therewith, any Owner may delegate his or her right of enjoyment of the Community Area and facilities to the members of his or her family, tenants, and social invitees. Owners shall be deemed to have delegated all such rights to the occupants of any leased Residential Unit.

Section 3. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment between adjacent Lots and between each Lot and any portion or portions of the Community Area that may be adjacent thereto, to accommodate the placement, settling, shifting, use, or maintenance of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these Restrictions) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the contiguous portion of the adjacent Community Area or Lot, as the case may be, along a line perpendicular to such boundary at that point; provided, however, that in no event shall an easement for encroachment exist if an encroachment occurred due to willful and unnecessary conduct on the part of an Owner (other than the Developer), tenant, or the Association.

Section 4. Reserved Easements and Rights of the Developer. The Developer hereby reserves on behalf of itself and its successors and assigns, the following easements and rights, which shall apply and be available until the last Residential Unit is completed and the last Lot in the Development Area is sold and conveyed to a bona fide purchaser for value:

(a) the right and easement to maintain reasonable and tasteful signs on the Property indication lots for sale, identifying models and sales offices and providing other information that the developer may deem necessary or desirable in connection with the sale or other disposition of the Lots;

(b) the right and easement to use one or more Lots or other portions of the Property for promotional purposes, including without limitation the

display of model residences, the maintenance of a sales office or offices, and other uses incidental to the sale or other disposition of the Lots;

(c) the right and easement to pass over the Community Area for purposes of access to and ingress and egress to and from such models and sales offices, unsold Lots, and other parts of the Property;

(d) the right and easement to use, on a non-exclusive basis, the recreational facilities and other amenities that are part of the Property for reasonable display, demonstration, and promotional purposes;

(e) the right and easement to enter upon the Community Area in order to install, maintain, repair, replace, and use pipes, wires, conduits, and other lines for the purpose of providing water, sanitary sewer, storm sewer, electrical, natural gas, telephone, cable television, and other utility or quasi-utility services to part with existing pipes, wires, conduits, or lines without the payment of any tap-in or connection fee therefore; and

(f) the right to enter upon the Community Area to the extent necessary to construct residential and other improvements on any part of the Development Area.

This reservation of rights and easements is subject to the understanding that (1) any use of the foregoing rights and easements shall not unreasonably interfere with the use and enjoyment of the Community Area by occupants, and (2) if any damage or destruction occurs to the Community Area as a result of such use, the Community Area shall be restored promptly to the condition that existed immediately prior to such use at the sole expense of the persons making the use. The Restrictions within this Section may not be amended without Developer's written consent, so long as Developer owns any Development Area.

Article III

Membership and Voting Rights

Each Owner of an entire or undivided fraction of a fee simple interest in any Lot that is subject to this Deed, including Owners of Lots annexed pursuant to Article VIII, and including Developer as to each Lot owned by Developer, shall be a member of the Association. In addition, as long as Developer owns any of the Development Area, Developer shall be a Member of the Association and shall be entitled to exercise 15 votes in

addition to the votes attributable to Lots owned by Developer. Membership shall be appurtenant to and may not be separated from such ownership. The membership of each Owner shall terminate when he or she ceases to own his or her undivided fee simple interest(s) in a Lot, and upon the sale, transfer, or other disposition of each undivided fee simple interest, the membership in the Association automatically shall be transferred to the new Owner(s) of the interest. Members shall be entitled on all issues to one vote for each Lot in which they hold the interest required for membership hereunder; unless the context requires otherwise, a "majority of the Members," as used in this Deed or in the Code of Regulations, shall mean a majority of the votes attributable to Lots subject to this Deed or any Annexation Deed, even if one or more Members exercise multiple votes as Owners of more than one Lot. There shall be only one vote per Lot. Each vote attributable to Developer's continued ownership of Development Area shall be equal in value to a vote attributable to ownership of a Lot, but shall not be included in any determination of whether a quorum is present at any meeting or in any determination of the minimum number of votes that will be necessary for any vote by the membership to be effective. When more than one person or entity holds an interest in any Lot, the vote for that Lot shall be exercised as those persons or entities themselves determine and advise the secretary of the Association prior to a meeting. In the absence of such advice, the Lot's vote shall be suspended if two or more people attempt to exercise it inconsistently.

Article IV

Maintenance

Section 1. Association's Responsibility. The Association shall maintain the Community Area and keep it in good repair, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, improvements, equipment, fixtures, furnishings, and other property of the Association.. Costs of Community Area maintenance shall be a Common Expense.

The Association may assume responsibility for or coordination of any or all activities that otherwise would be the Owners' responsibility. The approval of Developer, so long as Developer owns any Development Area, and of two-thirds of the Members shall be required for the assumption of any or all maintenance responsibilities of all Owners. The assumption of any or all maintenance responsibilities of an individual Owner shall be requested in writing by that Owner and shall require approval by the Board of Trustees or its designee, subject to the rules, regulations, and Assessments imposed by the Board of Trustees.

Section 2. Owners' Responsibilities. All maintenance of the Lots and all structures, driveways, parking areas, and other improvements thereon shall be the sole

Responsibility of the Owner thereof, who shall maintain said improvements in a manner consistent with the Community-Wide standard of Brookstone and the Restrictions. Responsibilities shall include (but not be limited to) lawn care, landscape maintenance, exterior painting, roof replacement, snow removal, and general cleaning and upkeep of the Residential Unit and Lot. As described in Section 1 of this Article, any or all of these responsibilities may be assumed or coordinated by the Association.

If any Owner fails or refuses to maintain all improvements on his or her Lot in good condition and repair and such maintenance is not part of the maintenance responsibilities assumed by the Association pursuant to the preceding Section, the Association may serve the Owner with a written demand that he or she promptly perform all necessary or desirable maintenance, repair, and replacement. If the Owner fails to complete such work within ten (10) days thereafter, and if the condition of the improvements requiring the maintenance, repair, or replacement creates a danger to public health or safety or significantly diminishes the value of other parts of the Property, the Association may perform any necessary or desirable maintenance, repairs, or replacements on behalf of the Owner and may levy a special lot assessment against him or her to obtain reimbursement for the cost thereof.

Section 3. Party Walls. Each wall that serves and separates any two (2) adjoining Residential Units shall constitute a party wall, and to the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

The cost of reasonable repair and maintenance of the party walls shall be shared by the Owners who use the walls, in equal proportions. The construction materials (such as soundboard, fiberglass batt insulation, fire rated drywall, drywall mounting clips, and/or masonry) and techniques shall not affect the structural bearing, fire resistance, or sound transmission characteristics of the Residential Units of which the walls are a part.

If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance or costs of repair are not paid out of the proceeds of insurance, any Owner who has used the wall may restore it, and if the other Owner or Owners thereafter use the wall, they shall contribute to the cost of restoration in equal proportions, without prejudice, however, to the right of any Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the Lot and shall pass to that Owner's successors-in-title.

Notwithstanding any other provision of this section, to the extent that damage to a party wall is not covered and paid for by the insurance provided for in this Deed, an Owner who by negligent or willful act or omission causes any party wall to be exposed to the

elements shall bear the whole cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the Lot and shall pass to that Owner's successors-in-title.

Section 4. Contiguous Property. The cost of repair and maintenance of contiguous property (other than party walls) that straddles the property line and is not easily repaired or maintained separately by the Owners of the Lots on which it is located (the "Contiguous Property") shall be shared by the Owners who use the contiguous property in proportion to each Owner's benefit. Contiguous property shall include, but not be limited to: (i) a roof that lies on the same plane or elevation and crosses the property line; (ii) fence posts that straddle the property line with fencing material on both sides of the posts; (iii) garden walls; and (iv) plant material on the property line.

If contiguous property is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance or repair is not paid for out of the proceeds of insurance, any Owner who has used the Contiguous Property may restore it, and if the other Owner or Owners thereafter use the Contiguous Property, they shall contribute to the cost of restoration in equal proportions, without prejudice, however, to the right of any Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the Lot and shall pass to that Owner's successors-in-title.

Section 5. Adjacent Property. Improvements and landscaping that are intended to be adjacent to a Residential Unit but wholly within the property boundary of the Lot on which the Residential Unit is located (the "Adjacent Property") shall be repaired and maintained solely by that Owner. "Adjacent Property" shall include, but not be limited to: (i) trees, shrubbery, and other flora originally planted within the Lot: provided, however, that the cost to repair damage to the Lot or Community Area on the opposite side of the boundary due to the growth of a root system, trunk, or branches also shall be borne by the Owner of the Adjacent Property: and (ii) fences with posts that straddle or are adjacent to the Lot line with fencing material on only one side of the posts. Improvements shall be deemed Adjacent Property unless the Owners of the contiguous Lots joined in an express request that the Committee established in Article XI of this Deed approve construction of the item as Contiguous Property, and the Committee granted the request.

Section 6. Disputes. Any disputes between Owners that may arise out of the repair and maintenance of Lots or Residential Units shall be submitted to the Board of Trustees or its designee. After full disclosure of the pertinent facts, the Board of Trustees or its designee shall render a decision enforceable with the full authority vested in the Board, including but not limited to the right to expend Association funds for maintenance or repair of an individual Lot or Residential Unit and to impose Assessments and obtain a lien for amounts owed by the Owner of the Lot.

Article V

Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Trustees, or the Board's duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Community Area against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief, or against all risks, if such insurance is reasonably available. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

The Board also shall obtain a public liability policy covering the Community Area, the Association, the Board of Trustees, and its members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a Five Hundred Thousand Dollar (\$500,000.00) single person limit for bodily injury and property damage, a One Million Dollar (\$1,000,000.00) limit per occurrence and a Two Hundred Fifty Thousand Dollar (\$250,000.00) minimum property damage limit.

Cost of insurance coverage obtained by the Association shall be a Common Expense to be included in the Assessments, as provided in Article X, Section 1. All insurance coverage obtained by the Board of Trustees shall be written in the name of the Association as Trustee for the benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Ohio and holding a rating of VI or better in the Financial Category as established by Bests Key Rating Guide, if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Community Area shall be for the benefit of the Owners and their mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on Property insured by the Association shall be vested in the Association's Board of Trustees: provided, however, that no mortgagee that has an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) All property insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Franklin County area.

(e) The Association's Board of Trustees shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Trustees, its Manager, the Owners, and their respective tenants, servants, agents, and invitees;
- (ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;
- (iii) that no policy may be cancelled, invalidated, or suspended on account of any one or more individual Owners;
- (iv) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Trustee, officer, or employee of the Association or its duly authorized manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, or Owner, or mortgagee;
- (v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- (vi) that no policy may be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, a fidelity bond or bonds on Trustees, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the Trustees' best business judgment, but may not be less than three (3) months assessment, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association.

Each owner may obtain additional insurance at his or her own expense; provided, however, that no Owner shall be entitled to exercise his or her right to maintain insurance coverage in such a way as to decrease the amount that the association's Board of Trustees may have in force at any particular time.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for that purpose, shall be disbursed in payment for such repairs or reconstruction as provided in Section 3(b) of this Article. Any proceeds remaining after defraying such costs of repair or reconstruction or, if no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Lot and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section 2(a) of this Article.

Section 3. Damage and Destruction.

(a) Immediately after the damage or deconstruction by fire or other casualty to all or any part of the property covered by insurance written in the name of the Association, the Board of Trustees or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the damaged or destroyed property. Repair or reconstruction, as used in this Article. Means repairing or restoring the property to substantially the condition in which it existed prior to the fire or other casualty.

(b) Any damage to or destruction of the Community Area shall be repaired or reconstructed unless Developer, as long as Developer owns any Development Area, and at least seventy-five percent (75%) of the total vote of the Association decides within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within

said period, then the period shall be extended until fifteen days after such information shall be made available; provided, however, that the total extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Community Area damage or destruction shall be repaired or reconstructed.

(c) If the Association determines that the damage or destruction of the community Area shall not be repaired or reconstructed and does not authorize alternative improvements, then the property shall be restored to its natural, unimproved state and shall be maintained by the Association in a neat and attractive condition as an undeveloped portion of the Community Area.

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Trustees shall, without the necessity of a vote of the members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. In any fiscal year, the Board may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the Developer, levy such special Assessments that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

Section 5. Individual Insurance. By taking title to a Lot subject to the terms of this Deed, each Owner covenants and agrees with the Developer and with all other Owners and the Association that he or she will carry all-risk property insurance on the Lot and improvements constructed thereon. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the Owner shall proceed promptly to repair or to reconstruct the damaged improvements in a manner consistent with the original construction. If the improvements are totally destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction. The Brookstone Design Committee, in its sole discretion, may impose more stringent requirements regarding the standards for rebuilding or reconstructing improvements and for returning a Lot to its natural state.

Notwithstanding the foregoing, if the Board determines that it is in the best interests of Brookstone as a community, or if an Annexation Deed so requires for any Annexed Area, the Association may, but shall not under any circumstances be obligated to, obtain and continue in effect adequate all-risk property insurance in such form as the Board or Trustees may deem appropriate for the full replacement cost of all structures on the Lots. Costs of such coverage shall be a Common Expense to the Association, if carried on all Lots. If

carried on fewer than all Lots, the cost shall be allocated equally among the Lots to which the policy or policies apply. If such insurance is obtained by the Association, this Article shall apply to policy provisions, loss adjustment, and all other subjects to the same extent that this Article applies to insurance on the Community Area. All such insurance shall be for full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member. If all-risk coverage is not reasonably available, policies obtained by Owners or by the Association shall insure against hazard and extended coverage.

Article VI

No Partition

Except as is permitted in this Deed, there shall be no physical partition of the Community Area or any part thereof, nor shall any person who acquires any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 3 of Article V, in the case of damage or destruction, or unless the Property has been removed from the provisions of this Deed. This Article shall not be construed to prohibit the Board of Trustees from acquiring and disposing of tangible personal property nor from acquiring title to real property that may or may not be subject to the Restrictions.

Article VII

Condemnation

Whenever all or any part of the Community Area is taken by any authority having the power of condemnation or eminent domain (or conveyed in lieu of and under threat of condemnation, by the Board acting on the written direction of all Owners), each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made as compensation for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Community Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Developer, as long as Developer owns any Development Area, and at least seventy-five percent (75%) of the Members of the Association otherwise determine, the Association shall restore or replace such improvements so taken on the remaining Property included in the Community Area to the extent plans are available therefore, in accordance with plans approved by the Board of Trustees of the

Association. If such improvements are to be repaired or restored, the provisions in Article V of this Deed regarding the disbursement of funds in respect to casualty damage or destruction shall apply.

(b) If the taking does not involve any improvements on the Community Area, or if the Association decides not to repair or restore, or if there are net funds remaining after any restoration or replacement is completed, then the award or net funds shall be disbursed to the Association and used for such purposes as the Board of Trustees of the Association shall determine.

Article VIII

Annexation of Additional Property

Section 1. Annexation of Additional Development Area By Developer.

Developer shall have the right, privilege, and option to subject to the authority of the Association, whether in fee simple or leasehold, all or any portion of the Development Area, as the same is described on Exhibit B, attached hereto and incorporated herein by this reference. Developer may exercise this right from time to time and at any time until twenty (20) years after conveyance of the first Lot. Annexation of Development Area during this period shall not require the consent or approval of the Association, except as provided in Section % of this Article. Developer may assign to any person the right to annex all or any part of the Development Area, provided the assignee agrees in a written, recorded instrument to develop at least a portion of the Development Area that will be annexed. Any approval rights granted to Developer in this Deed and limited to Developer's ownership of Development Area shall expire upon expiration of the rights created in this section.

Developer's reserved rights to annex additional Development Area shall not be construed so as to create or impose upon Developer any obligation to subject any additional Development Area to the restrictions or to the jurisdiction of the Association, nor any obligation to build housing or other structures of the same type, design, or materials as that constructed on the Property. If some or all of the Development Area is not annexed, Developer's reserved rights shall not impose upon Developer any obligation to impose upon any of the Development Area that is not annexed covenants and restrictions similar to those contained in this Deed, nor shall such rights limit or restrict in any manner the way in which Developer or any subsequent owner may use such Development Area whether or not such uses are consistent with these restrictions.

Section 2. Annexation by the Association. After expiration of Developer's annexation period, as established in Section 1 of this Article, or at any time and from time to time as to real estate not included within the Development Area, the Association may annex

Development Area or other real property to its jurisdiction upon written consent or affirmative vote of a majority of the Members of the Association present or represented by proxy at a meeting duly called for such purpose, and upon written consent of Developer, so long as Developer owns any Development Area. The time within which, and the manner in which notice of any meeting of the Association shall be called for the purpose of determining whether additional real estate shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the Code of Regulations for regular or special meetings, as the case may be.

Section 3. Acquisition of Additional Community Area. Developer may convey to the Association additional real estate, whether improved or unimproved, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association as part of the Community Area. The Association also may acquire additional real property from sources other than Developer. Conveyances to the Association shall not be effective unless accepted by the Association in a written, recorded instrument.

Section 4. Mechanics. Annexation shall be effective upon filing the Recorder's Office of Franklin County a deed (an "Annexation Deed") executed by the record owner of the real property to be annexed, and by the President and Secretary of the Association to evidence Association approval, when required, and containing the following provisions:

- (a) restrictions similar (but not necessarily identical) to those contained in this Deed, or a reference incorporating these Restrictions into the Annexation Deed;
- (b) a statement that lots within the Annexed Area shall be subject to the jurisdiction and authority of the Association, including but not limited to the Association's right to levy Assessments;
- (c) a statement that Owners of lots in the Annexed Area, including Developer, shall be Members of the Association and shall have the right to use the Community Area created under this or any other Annexation Deed; and
- (d) any community area located within the annexed area shall constitute Community Area available for the use and benefit of all Members of the Association.
- (e) a provision executed by the Association evidencing acceptance of jurisdiction over the Annexed Area.

Section 5, Effect on Assessments. If an annexation would result in a regular annual assessment for each Lot that would be more than twenty percent (20%) greater than

the regular annual Assessment paid by each Member during the immediately preceding fiscal year of the Association, whether such increase results from annexation alone or from annexation combined with other increases in annual Assessments, the annexation must be approved by a majority of the Members other than Developer.

Section 6. Creation of Neighborhoods. If for any reason a portion of the Development Area, or any other real property, is annexed and developed in such a way that the Property and the Annexed Area form distinctive communities, the Annexation Deed may provide that the Annexed Area shall be treated as a separate, self-contained Neighborhood in which owners (as that term may be defined in the Annexation Deed) are Members of the Association and have all concomitant rights and obligations, but in addition to paying an equal share of Common Expenses have included within their Assessments an equal share of any expenses attributable only to lots within their Neighborhoods (“Neighborhood Expenses”). Neighborhoods also may be subject to use restrictions and architectural standards that differ from those set forth in this Deed, in which event the Committee may establish a sub-committee for enforcement of standards and restrictions that are unique to a Neighborhood.

Section 7. Notice. All Members of the Association must be given at least sixty (60) days advance written notice of any annexation other than annexations of Development Area. Notice shall be delivered to each Owner at his or her address as shown on the records of the Association, or if no address is shown, at the address of the Residential Unit constructed on that Owner’s Lot. Notice of an annexation shall set forth the number of Lots that will be added and a description of the nature and extent of any Community Area that will be included in the annexation. A copy of the Notice may be recorded in the Official Records of Franklin County to establish a conclusive presumption of its delivery and the date thereof; provided, however that such recording shall not avoid the requirement that notice be delivered to each Member as provided in this Section.

Section 8. Miscellaneous. The Restrictions contained in this Article may not be amended without Developer’s consent so long as Developer owns any Development Area.

Article IX

Rights and Obligations of the Association

Section 1. Community Area and Rights –of-Way. The Association, subject to the rights of the Owners, shall be responsible for the exclusive management and control of the Community Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. The Association shall be responsible for

the maintenance of public rights-of-way adjacent to or within the Property as if they were part of the Community Area, unless such public rights-of-way are maintained by the City of Westerville or any other government entity.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Trustees, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within Brookstone conveyed to property, leasehold, or other property interests within Brookstone conveyed to it by the Developer. The Association may convey easements over, under, or through the Community Area to the extent permitted under Article II of this Deed.

Section 3. Rules and Regulations. The Association, through its Board of Trustees, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Deed. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Community Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Code of Regulations. Prior to any decision to suspend voting rights or rights to use the Community Area, or to impose monetary penalties, the Board shall grant notice and hearing as provided in the Code of Regulations.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Deed or Code of Regulations, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege, including but not limited to the right to levy and collect fees and Assessments as provided in Article X of this Deed.

Section 5. Services. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of the restriction within this Deed. The Association may, but shall not be required to, arrange as a Common Expense to have third parties furnish water, trash collection, sewer service, and other common services to each Lot.

Article X

Assessments

Section 1. Purpose of Assessments. The Assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots and Residential Unity, including the maintenance of and payment of taxes and other expenses attributable to real and personal property, all as may be more specifically authorized from time to time by the Board of Trustees. Assessments shall be levied equally against all Lots, except that Assessments for expenses incurred for the benefit of particular Lots shall be levied pro rata against the benefited Lots, only. Notwithstanding the foregoing, the Association shall have the right, but not the obligation, to charge reasonable admission or other fees for use of some or all of the Community Area, provided Developer, so long as Developer owns any Development Area, and a majority of the Members so approve.

Section 2. Creation of Assessments. Each Owner of any Lot, by accepting a deed therefore, agrees to pay to the Association annual Assessments or charges; Neighborhood Assessments, if any, and special Assessments, such Assessments to be established and collected as hereinafter provided; and specific Assessments against any particular Lot that may be established pursuant to the terms of this Deed, including, but not limited to reasonable fines that may be imposed in accordance with the terms of this Deed. All such Assessments, together with late charges, interest not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each Assessment is made.

Each Assessment, together with interest, costs, and reasonable attorney's fees, also shall be the personal obligation of the person who was the Owner of the Lot when the Assessment arose and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except that no first mortgagee who obtains title to a Lot pursuant to the remedies provided in the mortgage shall be liable for unpaid Assessments that accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Trustees, which dates may include, without limitation, acceleration of the annual Assessment for delinquents. Unless the Board otherwise provides, the Assessments shall be paid in monthly installments.

The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which Assessments would be necessary. To the extent received, such funds shall be used to reduce the Assessments otherwise required by the budget prepared pursuant to this Article. The Association is specifically authorized to enter into subsidy contracts with Developer or other entities for the

payment of some portion of the Common Expenses. Such contract or contracts shall be for the benefit of and enforceable by the Association and its members.

Section 3. Computation of Assessments: Preparation of Budget. It shall be the duty of the Board, at least sixty (60) days before the beginning of its fiscal year and at least thirty (30) days prior to the meeting at which the budget is presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared, shall separately list Common Expenses, Neighborhood Expenses and those attributable to particular Lots, if any, shall set forth the amounts of any fees that will be charged for use of the Community Area, may take into account any surplus remaining after a preceding year, and preceding year. The Board shall cause a copy of the budget, and a statement of the amount of the Assessments, including Neighborhood Assessment, if any, to be levied against each Lot for the following year, to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessment shall become effective unless disapproved at the meeting by a vote of at least a majority of the total Association membership.

Notwithstanding the foregoing, however, if the membership disapproves the proposed budget or if the Board fails for any reason to determine the budget for the succeeding year, then until such time as a budget has been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 4. Special Assessments. In addition to the Assessments authorized in Section 1, the Association may levy special Assessments applicable only to the year in which the Assessment is levied. So long as the total Assessments authorized under the Article do not exceed Five Hundred Dollars (\$500.00) per Lot in any one year, the Board, by majority vote, may impose the special assessment. If a special assessment would cause that total to be exceeded, that assessment shall be effective only with the approval of a majority of the Members.

Section 5. Lien for Assessments. When a notice of Assessment has been recorded as provided in Section 7 of this Article, the Assessment shall constitute a lien on the Lot against which it is levied, prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies that by law would be superior thereto, and (2) the lien or charge of any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust that was granted in good faith and for value.

All other persons who acquire liens or encumbrances on any Lot after this Deed has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 6. Capital Budget and Contribution. The Board of Trustees annually shall prepare a capital budget, which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing of annual Assessments over the period of the budget. The capital contribution required for each Lot shall be established by the Board and included within the budget and assessment, as provided in Section 3 of this Article. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 7. Non-payment of Assessments: Remedies of the Association. Any Assessments that are not paid when due shall be considered delinquent. Any Assessment that is delinquent for a period of more than 10 days shall incur a late charge in such amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any Member who has not paid an Assessment within 10 days of the due date. If the Assessment is not paid within 30 days, a notice of lien, as herein provided, shall be recorded as provided in Section 5 of this Article and, in addition, the lien shall include the late charge, interest on the principal amount due, not to exceed the maximum legal rate, and all late charges from the date on which the Assessment was first due and payable, all costs of collection, reasonable attorneys' fees actually incurred, and any other amounts provided or permitted by law. If the assessment remains unpaid after 60 days, the Association may, as the Board may determine, institute suit to collect such amounts and to foreclose its lien. Each owner, by acceptance of any Lot subject to the terms of this Deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all action against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens. The lien provided for in this Article shall be in favor of the Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot. No Owner may waive or otherwise avoid liability for the Assessments provided for herein, including but not limited to abandonment of the Lot or Residential Unit.

All payments to the Association shall be applied first to costs and attorneys' fees, then to late charges, then to interest, then to delinquent Assessments, then to any unpaid installments of the annual Assessments or special Assessments that were not the subject matter of suit in the order of their coming due, and then to any unpaid installments of the annual assessment or special Assessments that were the subject matter of suit in the order of their coming due.

Section 8. Capitalization of Association. Upon acquisition of record title to a Lot from Developer, each Owner shall contribute to the capital account of the Association an

amount equal to one-sixth (1/6) of the amount of the general assessment for that Lot, or Fifty dollars (\$50.00), whichever is greater. This amount shall be deposited by the buyer with Developer and disbursed there from to the Association, and shall not be refundable upon further conveyance of the Lot.

Section 9. Date of Commencement of Annual Assessments. The annual Assessment provided for herein shall commence as to all Lots then existing and subject to assessment under this Deed on the first day of the month following conveyance of the Community Area from the Developer to the Association, and shall be due and payable in a manner and on a schedule as the Board of Trustees may provide. Lots on which construction of a Residential Unit has not been completed shall be subject to assessment at the rate of fifty percent (50%) of the amount that otherwise would be due for that Lot.

Section 10. Developer's Assessments. After the commencement of Assessment payments, Developer covenants and agrees to pay the full amount of the annual Assessment for each occupied Residential Unit it owns, including but not limited to any Residential Unit used as a model or office. Notwithstanding anything contained herein to the contrary, Developer shall be required to pay only 50% of the Annual Assessments for unimproved Lots or unoccupied Residential Units that it owns.

Notwithstanding anything contained herein to the contrary, Developer may contribute Assessments due from it in permits and services or materials or a combination of services and materials, rather than money (herein collectively called "in-kind contributions"). The amount by which monetary Assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If Developer and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and Developer cannot agree as to the value of any contribution, Developer shall supply the Association with a detailed explanation of the service performed and the material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three independent contractors approved by Developer who are in the business of providing such services and materials. If the Association and Developer are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the three independent contractors.

Article XI

Architectural Standards

Section 1. Design Committee. There is hereby created the Brookstone Design Committee (the "Committee"). The Committee shall be composed of not less than three (3)

nor more than seven (7) persons, at least one of whom shall also be a member of the Board of Trustees. Until all of the Development Area has been conveyed to purchasers in the normal course of development and sale, and all Residential Units to be constructed in the Development Area have been completed (or until Developer earlier relinquishes this right of appointment), the members of the Committee shall be appointed by Developer. Thereafter, the members of the Committee shall be appointed or elected by the Board of Trustees and shall serve at the pleasure of the Board. Committee members may be, but are not required to be, Owners of Lots. Notwithstanding the foregoing, at any time after completion of the last Residential Unit to be constructed on a Lot located within the Property, and if Developer so approves, the Committee may delegate to one or more "sub-committees" review and approval, according to standards promulgated by the Committee for each Neighborhood, of proposed changes to completed improvements. Members of sub-committees shall be appointed by the Board of Trustees, and at least one member of each sub-committee shall be a member of the Committee. All other members of each sub-committee shall be Owners, other than Developer, of Lots in the Neighborhood over which the sub-committee has jurisdiction. Size of each sub-committee shall be determined by the Board of Trustees. Existence of any sub-committee may be terminated at any time if the Committee determines that the Committee's responsibilities no longer should be delegated.

Section 2. Architectural and Design Controls. Subject to any guidelines, standards, policies and procedures promulgated by the Board of Trustees, the committee shall:

(a) establish, maintain, preserve, and interpret specific architectural guidelines and standards as may be necessary or desirable to preserve the beauty, harmony, and aesthetic continuity of all improvements that are or become part of the Property:

(b) review, evaluate, and approve or disapprove proposed plans for the construction of any further improvements on the Property, and the alteration or replacement of any such improvements; and

(c) enforce the Restrictions, and its own policies, guidelines, standards, and decisions when so authorized or requested by the Board.

The actions and decisions of the Committee shall be conclusive and binding on all interested parties.

Section 3. Approval of Plans. No alteration, change, construction, addition, excavation, landscaping, tree removal, or other work or action that in any way alters the exterior appearance of the Property from its thretofore natural or improved state (and no change, alteration or other modification of any of the foregoing previously approved

hereunder), any of the foregoing previously approved hereunder), and no addition to or modification of any improvement or landscaping that is part of the Property (whether or not theretofore approved hereunder), shall be commenced or continued until the same has first been approved in writing by the Committee. Approval shall be requested by submission to the Committee of plans and specifications, in duplicate, showing the following:

- (a) Existing and proposed land contours and grades;
- (b) All proposed buildings, landscaping, and other improvements, and the proposed locations thereof;
- (c) Plans for all floors, cross-sections, and elevations, including projections and wing-walls;
- (d) Exterior lighting plans;
- (e) All proposed patios, decks, balconies, porches, privacy walls, and fences;
- (f) Samples of the materials that will be used, to the extent requested by the Committee; and
- (g) Such other information, data, and drawings as may be reasonably requested by the Committee.

The 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 standards adopted by the Committee.

If the Committee fails either to approve or disapprove such plans and specifications within thirty (30) days after they have been delivered to the Committee, either personally or by certified mail, it shall be presumed that the Committee has approved said plans and specifications. Neither Developer, the Association, the Board of Trustees, the Committee, nor any of their individual members or agents, nor any of their heirs, personal representatives, successors or assigns, shall be liable to anyone submitting plans 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 any plans. Nothing in these Restrictions shall be construed to shift to the Committee, the Association, Developer, or any of their individual members or agents, nor any of their heirs, personal representatives, successors, or assigns the duty to comply with any or all government requirements. Every person and entity who submits plans to the Committee agrees, by submission of such plans, that he, she, or it will not bring any action or suit against the Committee, the Association, Developer, or any of their individual members or agents, or their heirs, personal representatives, successors, or assigns to compel any action or recover any damages.

Upon the completion of any approved alteration, change, construction, addition, excavation, landscaping, tree removal, or other work, the Committee shall inspect and if appropriate, issue a certificate indicating its approval of the same at the request of the applicant. A duplicate certificate shall also be issued at any time thereafter at the request of the Owner of the affected improvement or the holder of any mortgage or other security interest encumbering the improvement. Such certificates shall be issued within fifteen (15) days after they are requested in writing and shall be conclusive evidence of the approvals noted therein. The Committee may, however, impose a reasonable charge for the issuance of such certificates, which charge must be paid at the time that each certificate or duplicate thereof is requested.

Section 4. Enforcement. The Board of Trustees shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Brookstone Design Committee established in this Article. The Restrictions within this Article may not be amended without the Developer's written consent, so long as the Developer owns any Development Area.

Article XII

Use Restrictions

Unless otherwise amended by the Board of Trustees, the following use restrictions shall be maintained and enforced with respect to the Property, subject to such rules and regulations as may be designated and promulgated by the Board of Trustees.

Section 1. Use of Lots. Except as may be otherwise expressly provided in this Deed, each Lot shall be used only for construction of a Residential Unit for a single family; no trade or business of any kind may be conducted. Lease of a Residential Unit shall not be considered to be a violation of this covenant, so long as the lease is in compliance with Section 6 of Article XIII and with such reasonable rules and regulations as the Board of Trustees may promulgate. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Deed, the Code of Regulations, and the rules and regulations adopted hereunder.

Section 2. Antennas. No radio, television, or other aerial, antenna, dish, tower, or other transmitting or receiving structure, or support therefore, shall be erected, installed, placed, or maintained upon any portion of the Property.

Section 3. Exterior Lighting. No exterior lighting fixture (other than standard fixtures approved by the Committee or installed by Developer) shall be installed within or upon any Residential Unit or Lot without adequate and proper shielding of the fixture. No lighting fixture shall be installed that may become an annoyance or a nuisance to Owners or

occupants of neighboring properties. All modifications of exterior lighting must be approved in writing by the Committee, in advance, as provided in Article XI, Section 3.

Section 4. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise or be emitted therefrom so as to render any Lot unsanitary, unsightly, offensive, or detrimental to any of the remainder of the Lots or to occupants thereof. 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 that are activated *only* in emergency situations or for testing thereof.

Section 5. Signs. No signs, billboards, unsightly objects, or nuisances (including, but not limited to, commercial, political, and similar signs) shall be erected or maintained on the Property without the prior written consent of the Board of Trustees or its designee except: (i) such signs as may be required by law, and (ii) one sign per Lot advertising its availability for sale. The Board or its designee may erect reasonable and appropriate signs on the Community Area.

Section 6. Storage and Parking of Vehicles. There shall be no outside storage or parking upon any Lot or upon the Community Area of any commercial vehicle, truck, tractor, mobile home, or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other transportation device of any kind (except automobiles and passenger vans), except by Owners within the parking spaces in the Owner's garage, and by Owners and visitors temporarily parking in the Owner's driveway. No garage may be altered in such a manner that the number of automobiles that may reasonably be parked therein after the alteration is less than the number of automobiles that could have been reasonably parked in the garage as originally constructed.

Section 7. Pets. No animals of any kind shall be raised, bred, or kept on the Lots, except that no more than a total of two (2) dogs, cats, or other normal household pets may be kept inside Residential Units, only, provided that such pets are not kept, bred, or maintained for any commercial purpose. The Board shall have the absolute power to prohibit pets that create a nuisance, cause excessive noise, or endanger public safety from being kept in or on a Residential Unit or the Community Area. A fence completely enclosing the rear yard, constructed subject to the guidelines and approval of the Committee, shall be required for residents with dogs. No facilities designed and constructed exclusively to shelter pets shall be constructed on the exterior portion of any Lot. No Owner or occupant shall permit a pet to run loose.

Section 8. Temporary Improvements. No temporary building, structure, or storage shed shall be permitted on any Lot; provided, however, that trailers, temporary

Buildings, barricades, and the like shall be permitted for construction purposes during the construction of a permanent building or structure, and for sales purposes during the sales of new Residential Units.

Section 9. Service Screening. Garbage and refuse shall be placed in containers, which shall be concealed and contained within Residential Units or garages, shall be concealed by means of a screening wall of material similar to and compatible with that of the Residential Unit on the Lot, or shall be concealed by sufficient landscaping to provide a permanent screen at all times of the year, except during the construction of a Residential Unit.

Section 10. Storage Areas. Unless specifically approved by the Committee in writing, or during construction of a Residential Unit, no materials, supplies, or equipment shall be stored on the Lot except inside a closed area.

Section 11. 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 on any Lot outside a Residential Unit except as approved by the Committee.

Section 12. Hobbies. Unless approved in advance by the Committee, hobbies or activities that tend to detract from the aesthetic character of Brookstone shall not be permitted unless carried out or conducted as directed by the Board of Trustees or its designee. This paragraph refers to, but is not limited to, such activities as automotive and boat repair, and sport activities involving equipment, such as basketball hoops, placed on a Lot or the Community Area.

Section 13. Mineral Exploration. No Lot or Community Area shall be used in any manner to explore for, use, or exploit commercially any water, oils or other hydrocarbons, minerals of any kind, gravel, earth, soil or any other substance located in or under the ground.

Section 14. Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated, or maintained upon a Lot or the Community Area except machinery or equipment reasonably necessary for use in connection with maintenance or construction of improvements approved by the Committee.

Section 15. Clothes Lines and Above Ground Swimming Pools. No clothes lines or other outside drying or airing facilities shall be permitted. No above ground swimming pool shall be permitted on any Lot at any time. Any outdoor hot tubs or whirlpools shall be screened from view.

Section 16. Exterior Materials and Colors. Finish building materials shall be applied to all sides of the exteriors of the Residential Units. Colors shall be harmonious and compatible with colors of the natural surroundings and other nearby Residential Units within

Brookstone. The Committee shall have the sole right to approve or disapprove original and replaced, repaired, or refinished exterior materials and colors.

Section 17. Fences and Garden Walls. Fences and garden walls shall meet the specifications promulgated by the Committee.

Article XIII

General Provisions

Section 1. Term. The covenants and restrictions of this Deed shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by Grantor, Developer, the Association, and the Owner of any Property subject to this Deed, and their legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Deed is recorded, after which time they automatically shall be extended for successive periods of forty (40) years, without the necessity of a vote by the Members, by recording pursuant to section 5301.51 of the Ohio Revised Code (or any successor statute) a notice executed by the Association stating that these Restrictions continue in full force and effect, which notice shall be recorded within five (5) years prior to expiration of each initial or renewal term.

Section 2. Amendment. The Restrictions in this Deed may be amended at any time and from time to time by Developer: (a) if amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or any judicial determination that may be in conflict therewith; (b) if amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Deed; (c) if amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable a lender or purchaser to make or purchase mortgage loans on the Lots subject to this Deed; or (d) if amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Deed.

In addition to the above, the Restrictions may be amended or terminated upon the written consent of two-thirds (2/3) of the Members and the consent of Developer, so long as Developer owns any Development Area, except that Article XII may be amended by the Board of Trustees. Amendments to the Restrictions shall be effective upon recordation in the Franklin County Recorder's Office unless a later effective date is specified in the amendment.

Section 3. Indemnification. The Association shall indemnify every officer and Trustee against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Trustee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Trustees) to which he or she may be a party by reason of being or having been an officer or Trustee.

The officer and Trustees shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and Trustees shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or Trustees may also be members of the Association) and the Association shall indemnify and forever hold each officer and Trustee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Trustee, or former officer or Trustee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and Trustees' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Right of Entry; Enforcement. The Association shall have the right to enter upon any Lot or into any Residential Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Trustees, officers, agents, employees, managers, and all police, firefighters, ambulance operators, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner. This right of entry shall include the right of the Association to enter a Residential Unit to cure any condition that may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board, and to enter any Lot or Residential Unit to abate or remove any item or condition that violates the Restrictions. The Association shall be entitled to be reimbursed for any expenses incurred as a result of exercise of this right of entry, and may levy a special Assessment against the Lot to collect those amounts.

In addition to this right of entry, Grantor, Developer, the Association, and each Owner shall have the joint and several right to proceed at law or in equity to enforce the Restrictions, and may seek injunctive relief, damages (including but not limited to court costs and reasonable attorney fees), and such other remedies as a court of competent jurisdiction may consider appropriate. All remedies provided for in this Deed or at law shall be cumulative and not exclusive.

Section 6. Sales and Leases. Any Owner who sells his or her Lot shall notify the Association of the purchaser's name, and address within ten days after the sale. Any lease or rental agreement of a Residential Unit must be in writing and for a period of at least 30 days. All lessees are subject to the provisions contained in this Deed, the Code of Regulations, the Articles of Incorporation, and all rules and regulations promulgated by the

Board of Trustees; provided, however that no lease shall relieve any Owner from responsibility for compliance with the Restrictions. (See Amendment Recorded July 24, 2006)

Section 7. Constructive Notice. Every person who now or hereafter owns or acquires any right, title, or estate in any portion of the Property is and shall be conclusively presumed to have consented and agreed to every covenant, condition, restriction, easement, and Assessment established under this Deed, whether or not the instrument by which that person acquires and interest contains a reference to this Deed.

Article XIV

Developer's Rights

Any or all of the special rights and obligations of Developer may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further that no such transfer shall be effective unless it is in a written instrument signed by Developer and duly recorded in the Recorder's Office of Franklin County, Ohio.