

SPECIAL WARRANTY DEED

MARY H. SNIDER, AUDITOR
 This Conveyance has been examined and the Grantor has
 complied with section 319.202 of the Revised Code.

FEE \$

EXEMPT *dy*

KNOW ALL MEN BY THESE PRESENTS, that DOMINION HOMES, INC., an Ohio
FKA Borlar Corp.
 corporation, with offices at 5501 Frantz Road, Dublin, Ohio 43017, the Grantor herein, for
 the consideration of Ten Dollars (\$10.00) received to its full satisfaction of TERRY E.
 GEORGE, TRUSTEE, the Grantee, whose tax mailing address is 5501 Frantz Road,
 Dublin, Ohio 43017, does, this 3rd day of June, 1997, give, grant, bargain, sell, and
 convey unto the said Grantee, his successors and assigns forever, the following described
 premises:

Situated in the State of Ohio, County of Union, City of Marysville, and being
 more particularly described as follows:

Being Lot Numbers Three Thousand Two Hundred Forty-eight (3248)
 through Three Thousand Three Hundred Nineteen (3319), inclusive, and
 Reserve Three Thousand Three Hundred Twenty (3320), of THE WOODS
 AT MILL VALLEY, PHASE 1, as the same are numbered and delineated
 upon the recorded plat thereof, of record in Plat Book 4, pages 226, 227 and
 228, Recorder's Office, Union County, Ohio.

Subject to all conditions, easements, liens, encumbrances, and restrictions
 of record, if any, which Grantee herein assumes and agrees to as part
 consideration for this conveyance.

The Grantor hereby covenants with the Grantee and his successors and assigns
 that the premises are free and clear of all liens and encumbrances whatsoever created by
 or under the Grantor except (a) real estate taxes and assessments, if any, not presently
 due and payable, (b) zoning and building laws, ordinances, and regulations, (c) legal
 highways, (d) restrictions, conditions, and easements of record, and all other liens and
 encumbrances of record or otherwise affecting such premises; and that the Grantor will
 forever warrant and defend the premises, with the appurtenances, unto the Grantee and
 his successors and assigns against the lawful claims of all persons claiming through the
 Grantor except as above noted. In pursuance of a general plan for the protection, benefit,
 and mutual advantage of all lots described above and of all persons who now are or may
 hereafter become owners of any of said lots or parts thereof, and as part of the
 consideration for this conveyance, the Grantor executes and delivers this deed, and the
 Grantee accepts the same, subject to each and all of the following reservations,
 restrictions, conditions, easements, covenants, obligations, and charges (hereinafter
 collectively called "Restrictions") which are for the mutual benefit and protection of and

shall be enforceable by any of the present or future owners of said lots. It is intended and understood that all or part of the premises described in this Special Warranty Deed shall be conveyed back to the Grantor. Such re-conveyance or any transfer or conveyance which may result in the same person acquiring all of the premises or more than one lot shall not result in a merger of the interest so as to result in the extinguishment of the Restrictions, it being the intent of the Grantor that the Restrictions remain at all times in full force and effect notwithstanding any such event.

I. DEFINITIONS

- A. "Annual Assessment" – amount to be paid to the Association by each Owner annually.
- B. "Assessments" – collectively referring to Annual Assessments, Lot Assessments and Special Assessments.
- C. "Association" – The Woods at Mill Valley Association, Inc., an Ohio non-profit corporation to be formed by Grantor before the Turnover Date, its successors and assigns.
- D. "Association Governing Documents" – these Restrictions, the articles of incorporation, code of regulations, by-laws and any and all procedures, rules, regulations or policies adopted by the Association or its Board.
- E. "Board" – the board of trustees of the Association.
- F. "Common Expenses" – expenses incurred in owning, maintaining, or improving the Common Property, or in operating the Association pursuant to the Association Governing Documents.
- G. "Common Property" – all real and personal property now or hereafter acquired, pursuant to these Restrictions or otherwise, and owned by the Association for the common use and the enjoyment of the Owners, or for the operation of the Association.
- H. "Entrance Feature Area" -- the entrance features described in Article IX, Paragraph E of these Restrictions.
- I. "Grantor" -- Dominion Homes, Inc. and any officer, successor or assign thereof to which Grantor specifically assigns any of its rights under these Restrictions by a written instrument.
- J. "Improvements" – all buildings, outbuildings, garages and structures; overhead, aboveground and underground installations, including without limitation, utility facilities and systems, lines, pipes, wires, towers, cables, conduits, poles, antennae and satellite dishes; flagpoles; swimming pools; tennis and all other types of permanently installed recreational courts, fixtures and facilities; slope and drainage alterations; 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 that are more than thirty (30) feet high when fully grown; and all other structures of every type.
- K. "Lot" – a discrete parcel of real property identified upon the recorded subdivision plat of the Property, or recorded re-subdivision thereof and any other discrete

parcel of real property designated as a Lot by Grantor, excluding the Common Property and any portion of the Property dedicated for public use.

L. "Lot Assessment" -- an assessment that the Board may levy against one or more Lots to reimburse the Association for costs incurred on behalf of those Lot(s), or the owners or occupants thereof, including without limitation, costs associated with making repairs that are the responsibility of the Owner of those Lots; costs of additional insurance premiums reasonably allocable to an Owner; costs of any utility expenses chargeable to an Owner but not separately billed by the utility company; and all other charges reasonably determined to be a Lot Assessment by the Board.

M. "Manager" -- the person or entity retained by the Board to assist in the management of the Association as set forth in Article IV, Paragraph F.

N. "Member" -- any person or entity entitled to membership in the Association, as provided for in Article III.

O. "Owner" -- the record owner, whether one or more persons or entities, of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as security for performance of an obligation, and also excluding the Grantor.

P. "Property" -- the premises described on page one and such additional property as may be annexed by amendment to these Restrictions, or that is owned in fee simple by the Association, together with all easements and appurtenances.

Q. "Reserve Fund" -- the fund that may be established pursuant to Article V.

R. "Rules" -- the rules and regulations governing use of the Property and the Common Property, as may be established by the Board from time to time pursuant to Article IV.

S. "Special Assessment" -- an assessment levied by the Association through its Board, against all Lots pursuant to Article V, to pay for capital expenditures, interest expense on indebtedness incurred for the purpose of making capital expenditures, unanticipated operating deficiencies, or any other purpose determined appropriate by the Board in furtherance of its functions hereunder.

T. "State" -- the State of Ohio.

U. "Turnover Date" -- the date on which Grantor relinquishes its exclusive right to appoint all members of the Board, which date shall be no later than the date Grantor closes on the sale of the last Lot it owns in the subdivision, as it may be ultimately enlarged by the annexation of additional phases.

II. GOALS

The covenants, easements, conditions and restrictions contained in these Restrictions are declared to be in furtherance of the following purposes:

- A. Compliance with all zoning and similar governmental regulations;
- B. Promotion of the health, safety and welfare of all Owners and residents of the Property;
- C. Preservation, beautification and maintenance of the Property and all Improvements; and
- D. Establishment of requirements for the development and use of the Property.

A. Membership. Every Owner shall be deemed to have a membership in the Association. Membership is a right appurtenant to and inseparable from an Owner's fee simple title in a Lot, and such right of membership shall automatically transfer to any transferee of fee simple title to a Lot at the time such title is conveyed or at such time as a land installment contract is entered and recorded for the conveyance of fee simple title. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest or mortgage shall not terminate an Owner's membership. No Owner, whether one or more persons, shall have more than one membership per Lot owned. In the event an Owner consists of more than one person, such persons shall have one membership in the Association as tenants in common.

B. Governance. Voting and all other matters regarding the governance and operation of the Association shall be set forth in the Association Governing Documents.

IV. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

A. Common Property.

1. Grantor may, from time to time, at Grantor's option, convey to the Association for the use and benefit of the Association and the Members real or personal property, or any interest therein, as part of the Common Property in the nature of an easement appurtenant to the Property. The Association shall accept title to any interest in any real or personal property transferred to it by Grantor. The Association, subject to the rights of the Owners set forth in these Restrictions and the Association Governing Documents, and subject also to budget limitations and the business judgment rule, shall be responsible for the exclusive management and control of the Common Property, if any, and all improvements thereon, and shall keep that property in good, clean, attractive, and sanitary condition, order and repair.

2. Subject only to budgetary limitations and the Board's right to exercise its reasonable judgment, the Association shall operate, maintain, repair and replace entry feature(s) in the Entrance Feature Area and on all other Common Property and shall keep the Entrance Feature Area in good, clean and attractive condition, order and repair. The Association by its Board, shall have the right to establish and enforce rules and regulations pertaining to the operation, maintenance and use of the Entrance Feature Area.

B. Personal Property and Real Property for Common Use. The Association may acquire, hold, manage, operate, maintain, improve, mortgage and dispose of tangible and intangible personal property and real property in addition to that property conveyed to it by Grantor.

C. Cost-Sharing Agreements. The Association may enter into cost-sharing agreements with other home owners' associations pursuant to which the Association agrees to share in the cost of maintaining, repairing and replacing entranceway features, landscaping, storm water retention facilities, mounding, fencing and any other improvements that benefit the Property or the members of the Association.

D. Rules and Regulations. The Association may make and enforce reasonable rules and regulations governing the use of the Property, which shall be consistent with these Restrictions and the Association Governing Documents. The Association shall have the power to impose sanctions on Owners, including without limitation: (i) reasonable monetary fines which shall be considered Lot Assessments; (ii) suspension of the right to vote as a Member of the Association; and (iii) suspension of the right to use the Common Property. In addition, the Board shall have the power to seek relief in any court for violations or to abate unreasonable disturbances. If the Board expends funds for attorneys'

fees or litigation expenses in connection with enforcing any provision of these Restrictions, any other Association Document, or any Rules, against any Owner, tenant, guest or invitee of any Owner, the amount so expended shall be due and payable by such Owner, and shall be a Lot Assessment against such Owner's Lot.

E. Implied Rights. The Association may exercise any other right or privilege given to it expressly by the laws of the State and these Restrictions, and every other right or privilege reasonably implied from the existence of any right or privilege granted in these Restrictions, or reasonably necessary to effect any such right or privilege.

F. Managing Agent. The Board may retain and employ on behalf of the Association a Manager, which may be Grantor, and may delegate to the Manager such duties as the Board might otherwise be authorized or obligated to perform. The compensation of the Manager shall be a Common Expense. The term of any management agreement shall not exceed three years and shall allow for termination by either party, without cause, and without penalty, upon no more than 90 days' prior written notice.

G. Insurance.

1. The Association shall obtain and maintain a comprehensive policy of public liability insurance insuring the Association, the trustees, and the Owners and occupants, with such coverage and limits as the trustees may determine, covering claims for personal injury and/or property damage arising by reason of acts by or on behalf of the Association or otherwise.

2. The Association may, in the Board's discretion, obtain and maintain the following insurance: (a) fidelity bond coverage and workers' compensation insurance for all officers, directors, board members and employees of the Association and all other persons handling or responsible for handling funds of the Association, (b) adequate comprehensive general liability insurance, (c) officers' and trustees' liability insurance to fund the obligations of the Association under Section X.D, (d) additional insurance against such other hazards and casualties as is required by law, and (e) any other insurance the Association deems necessary.

3. In the event of damage or destruction of any portion of the Common Property, the Association shall promptly repair or replace the same, to the extent that insurance proceeds are available. Each Owner hereby appoints the Association as its attorney-in-fact for such purpose. If such proceeds are insufficient to cover the cost of the repair or replacement, then the Board may levy a Special Assessment pursuant to Section V to cover the additional costs.

H. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Property, or any portion thereof. Each Owner hereby irrevocably appoints the Association as its attorney-in-fact for such purpose. The awards or proceeds of any condemnation action shall be payable to the Association, to be held and used for the benefit of the Owners, as determined by the Board.

I. Books; Records. Upon reasonable request of any Member, the Association shall be required to make reasonably available for inspection by any Member all books, records and financial statements of the Association.

V. ASSESSMENTS

A. Reserve Fund. The Board, at its discretion, may establish and maintain a Reserve Fund for financing the operation of the Association, for paying necessary costs and expenses of operating the Association, and/or repairing and maintaining Common Property or components thereof.

B. Types of Assessments. Subject to the option described in paragraph (c) of this section, the Grantor, for each Lot owned, covenants and agrees, and each Owner, by accepting a deed to a Lot, is deemed to covenant and agree, to pay to the Association the following assessments: (i) Annual Assessments; (ii) Special Assessments; and (iii) Lot Assessments. No Owner may gain exemption from liability for any Assessment by waiving or foregoing the use or enjoyment of any of the Common Property or by abandoning his/her Lot. Annual and Special Assessments shall be fixed at a uniform rate for all Lots.

C. Annual Assessments. The Board shall annually estimate the Common Expenses and the expenses, if any, it expects the Association to incur in the Association's next ensuing fiscal year for the maintenance, operation and management of the Association, (which may include amounts, if any, for the Reserve Fund -- as may be determined by the Board) and shall assess each Owner of a Lot an Annual Assessment equal to such estimated expenses divided by the total number of Lots. The Annual Assessments shall be paid in accordance with the procedures set forth in the Association Governing Documents and the Rules. Notwithstanding the foregoing to the contrary: (i) prior to January 1, 1998, in no event shall the Annual Assessments for each Lot exceed \$85.00; and (ii) prior to the date that Grantor relinquishes its right to appoint members of the Board as set forth in the Association Governing Documents (the "Turnover Date"), Grantor may elect to pay the Annual, Special or Lot Assessments applicable to Lots owned by Grantor or in lieu thereof, not pay such Annual Assessments, and to instead pay any deficit incurred in operating the Association, determined annually.

D. Special Assessments. The Board may levy against all Lot(s) and Owners a Special Assessment to pay for capital expenditures, interest expense on indebtedness incurred for the purpose of making capital expenditures and not to be paid out of the Reserve Fund; unanticipated operating deficiencies or any other purpose determined appropriate by the Board in furtherance of its functions hereunder.

E. Lot Assessments. The Board may levy a Lot Assessment against any Lot(s) and the Owner(s) thereof to reimburse the Association for costs incurred on behalf of the Lot(s), or as a consequence of any act or omission by any Owner, occupant, or invitee, including without limitation, costs associated with making repairs that are the responsibility of the Owner, costs of additional insurance premiums specifically allocable to an Owner; costs of any utility expenses chargeable to an Owner but not separately billed by the utility company; and all other fines and charges reasonably determined to be a Lot Assessment by the Board. Upon its determination to levy a Lot Assessment, the Board shall give the affected Owner(s) written notice and the right to be heard by the Board or a duly appointed committee thereof in connection with such Lot Assessment, 10 days prior to the effective date of the levy of any Lot Assessment. The Board may levy a Lot Assessment in the nature of a fine reasonably determined by the Board against the Lot of any Owner who violates the Rules, or any provision of the Association Governing Documents, or who suffers or permits his/her family members, guests, invitees or tenants to violate such Rules or any provision of the Association Governing Documents, including these Restrictions.

F. Remedies.

1. Late Charge. If any Assessment remains unpaid for ten (10) days after all or any part thereof shall become due and payable, the Board may charge interest from and after that date at the lesser of the rate of twelve percent (12%) per annum or the highest rate permitted by law, together with an administrative collection charge of Twenty-five Dollars (\$25.00).

2. Liability for Unpaid Assessments. Each Assessment or installment of an Assessment, together with interest thereon and any costs of collection, including reasonable attorneys' fees shall become the personal obligation of the Owner(s) beginning on the date the Assessment or installment thereof becomes due and payable. The Board may authorize the Association to institute an action at law on behalf of the Association against the Owner(s) personally obligated to pay any delinquent assessment. Except upon

the commencement of a foreclosure by a bona fide first-mortgage lender, an Owner's personal obligation for a Lot's delinquent Assessments shall also be the personal obligation of his/her successors in title who acquire an interest after any Assessment becomes due and payable and both such Owner and his/her successor in title shall be jointly and severally liable therefor. Except as otherwise provided herein, the transfer of an interest in a Lot other than by foreclosure by a holder of a bona fide first-mortgage lender shall neither impair the Association's lien against that Lot for any delinquent Assessment nor prohibit the Association from foreclosing that lien.

3. Liens. All unpaid Assessments, together with any interest and charges thereon or costs of collection, shall constitute a continuing charge in favor of the Association and a lien on the Lot against which the Assessment was levied. If any Assessment remains unpaid for 10 days after it is due, then the Board may authorize any officer or appointed agent of the Association to file a certificate of lien for all or any part of the unpaid balance of that Assessment, together with interest and collection costs, including attorneys' fees, with the appropriate governmental office. The certificate shall contain a description of the Lot which the lien encumbers, the name(s) of the Owner(s) of that Lot, and the amount of the unpaid portion of the Assessment. The certificate may be signed by any officer, authorized agent or Manager of the Association. Upon the filing of the certificate, the subject Lot shall be encumbered by a continuing lien in favor of the Association. The Assessment lien shall remain valid for a period of five years from the date such certificate is duly filed, unless the lien is released earlier or satisfied in the same manner provided by the law of the State for the release and satisfaction of mortgages on real property, or until the lien is discharged by the final judgment or order of any court having jurisdiction. Notwithstanding the foregoing, the lien for Assessments provided for in this Section shall be subordinate to the lien of any bona fide first mortgage on a Lot, that is recorded before the recording of a certificate of lien by the Association.

4. Vote on Association Matters: Use of Common Property. If any Assessment remains unpaid for thirty (30) days after it becomes due, then the delinquent Owner's voting rights upon Association matters and privileges to use the Common Property, except for necessary ingress and egress to his/her Lot, shall be suspended until such Assessment is paid.

VI. MAINTENANCE

A. Maintenance by Association. Subject only to budgetary limitations and the right of the Board to exercise reasonable business judgments, the Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, and replacement of all landscaping and other flora, structures, and improvements situated upon the Common Property and all personal property used in connection with the operation of the Common Property.

B. Maintenance by Owner. Each Owner or occupant shall repair, replace, and maintain in good order and condition, at his/her expense, portions of, improvements to, structures on, and, equipment and components used in connection with, his/her Lot. This maintenance responsibility includes, without limitation, promptly furnishing all necessary materials and performing or causing to be performed at his/her own expense all maintenance, repairs and replacements within such Lot that, if omitted, would adversely affect the safety and usefulness of the Common Property. Each Owner shall maintain those portions of his/her Lot that are adjacent to any portion of the Common Property in accordance with the Rules and the requirements set forth in these Restrictions.

C. Right of Association to Repair Lot. If any Owner fails to maintain his/her Lot in the manner required herein, and if the Board determines that any maintenance of that Lot is necessary to ensure public safety, to permit reasonable use or enjoyment of the Common Property by Owners, to prevent damage to or destruction of any other part of the Common Property or to comply with the Rules or the terms of these Restrictions, then the Board may authorize its employees or agents to enter the Lot at any reasonable time to

