

DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS
AS TO
COVE ON THE BAY SUBDIVISION

THIS DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS is made and adopted by **THE COVE ON THE BAY, LLC**, an Ohio limited liability company, ("Declarant") on the day and year set forth below.

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of the real property known as Cove On The Bay Subdivision (the "Subdivision"), located in Danbury Township, Ottawa County, Ohio, consisting of Lots One (1) through Fifteen (15), which, together with certain common areas appurtenant thereto, including areas laid out for Reserve Areas, private streets, walkways, driveways and utility services and for open space and recreational purposes, are designated and described in the plat of such subdivision, as recorded in Ottawa County Recorder's Office Plat records Volume 47, Pages 44 through 47 (together with any and all other real property which may hereafter become subject to this Declaration in accordance herewith, hereinafter referred to as the "Restricted Premises"); and

WHEREAS, Declarant desires to establish a general plan for the development of the Restricted Premises and to place certain restrictions, covenants and easements with respect to the manner of use, improvement, maintenance and enjoyment of the Restricted Premises which shall be binding upon and inure to the benefit of the Declarant and any and all purchasers, owners, mortgagees, users or persons owning, holding or entitled to any interest in the Restricted Premises, or any part thereof, and the respective heirs, executors, administrators, personal representatives, successors and assigns of any of them.

NOW, THEREFORE, Declarant, for its own benefit and for the benefit of its successors and assigns, in consideration of the mutual agreements set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby make known, publish, declare, covenant and stipulate that the Restricted Premises shall, upon subscription to this Declaration, in addition to any building and use restrictions, laws, ordinances and lawful requirements of the proper public authorities, be subject to the following covenants and restrictions which shall hereafter be taken to be covenants running with the land, binding upon, for the benefit of and enforceable by and against Declarant and any and all purchasers, owners, mortgagees, users or persons owning, holding or entitled to any interest in the Restricted Premises, or any part thereof, and the respective heirs, executors, administrators, personal representatives, successors, assigns and successors in title of any of them.

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ARTICLE 1DEFINITIONS

The following words when used in this Declaration or any amendment thereto, unless the context requires otherwise, shall have the following meanings:

(a) "Architectural Control Committee" shall mean the committee formed by Declarant pursuant to Article 7 hereof and granted original jurisdiction to review and approve or disapprove all plans and specifications for proposed construction, alteration, replacement or change of use of any improvements on the Restricted Premises, including landscaping and including certain repairs and maintenance to such improvements as provided herein.

(b) "Assessments" shall mean the assessments charged proportionately against all Residential Lots and Dwelling Lots pursuant to Article 9 of this Declaration for the payment of Association Expenses, including interest thereon and late payment charges, if any, as may be established from time to time by the Board of Trustees and the costs of collection thereof, including court costs and reasonable attorney fees.

(c) "Association" shall mean Cove On The Bay Homeowners Association, being an association of and limited to Lot Owners and being an Ohio nonprofit corporation.

(d) "Association Expenses" shall mean all costs, fees and charges incurred by the Association in carrying out the Association's duties under this Declaration including, without limitation:

(1) the cost of the maintenance, repair and replacement of the Reserve Areas, including, without limitation, the cost of real estate taxes and assessments payable with reference to the Reserve Areas, and all machinery, equipment and fixtures thereof (including all machinery and equipment used for the maintenance, repair, replacement and operation of the Reserve Areas), insurance, trash removal, security, snow removal, landscaping, lighting, the costs associated with the maintenance of the surface water drainage including electricity;

(2) management and professional fees and charges, including, without limitation, fees of attorneys and accountants, with reference to the administration and control of the Restricted Premises pursuant to the terms of this Declaration; and

(3) the cost of all utility charges for utility service (i.e., sanitary sewer, electrical, surface water drainage and other services) for the use, operation, maintenance, repair or replacement of Reserve Areas.

(e) "Board of Trustees" shall mean the Board of Trustees of Cove On The Bay Homeowners Association, an Ohio not for profit corporation.

(f) "Declarant" shall mean the Declarant above named and the specifically designated successors or assigns of any of its rights as Declarant with respect to the Restricted Premises.

(g) "Declaration" shall mean this Declaration.

(h) "Dwelling Lot" shall mean the single family dwelling and attached garage permitted to be constructed on one or more Residential Lots as provided in Article 6 hereof.

(i) "Member" shall mean and refer to all those Lot Owners who are members of the Association, Inc. as provided in Article 4.

(j) "Occupant" shall mean any person who resides in a Dwelling Unit.

(k) "Lot Owner" shall mean and refer to the record lot owner, whether one or more persons, of fee simple title in and to any Residential Lot which is subject to this Declaration, excluding, however, Declarant and those persons having such interest merely as security for the performance of an obligation.

(l) "Plat" shall mean the Plat of Cove On The Bay Subdivision recorded as set forth above, as the same may hereinafter be amended or supplemented of record and shall include all additional plats of property added to the Restricted Premises from time to time.

(m) "Reserve Areas" shall mean and refer to those areas of land designated as "Reserve Areas" on any recorded subdivision plat of the Restricted Premises and intended to be devoted to the common use and enjoyment of all Lot Owners, and shall specifically include, without limitation, the areas laid out for walkways and roadways, the water facilities and other utility services, and all fixtures, machinery and equipment thereof.

(n) "Residential Lots" shall mean and refer to lots 1 through 15 of the Subdivision and any of the residential lots of any real property hereinafter made subject to this Declaration. "Residential Lots" shall mean and refer to any of the Residential Lots.

(o) "Restricted Premises" shall mean the real property described in the recorded plat of Cove On The Bay Subdivision and all other real property held, used, transferred, sold, conveyed and occupied or hereafter made subject to this Declaration, from time to time.

(p) "Rules" shall mean such rules and regulations to govern the operation and use of the Restricted Premises as may be adopted from time to time by the Declarant, the Board of Trustees or the Architectural Control Committee to implement the provisions and intent of this Declaration.

(q) "Special Assessments" shall mean the assessments levied by the Homeowners Association as provided in Article 9 hereof to pay any Association Expense which is extraordinary and non-recurring.

(r) "Special Charges" shall mean the cost of repair, alteration, maintenance, renovation, or replacement and all costs, expenses and damages pertaining thereto that are incurred by the Association with respect to matters that are the responsibility of a Lot Owner hereunder or which result from the failure of any Lot Owner to comply with the provisions of this Declaration.

(s) "Subdivision" shall mean Cove On The Bay Subdivision, as shown on the Plat, as the same may be amended or supplemented from time to time, and shall include such property as added to the Restricted Premises from time to time and all additional Plats thereof.

ARTICLE 2

PROPERTY SUBJECT TO THESE COVENANTS AND RESTRICTIONS

Section 2.1 Existing Property. As of the date hereof, the Restricted Premises are comprised of the real property described in the plat of Cove On The Bay Subdivision and incorporated herein by reference.

Section 2.2 Additional Real Property. Additional real property may become subject to this Declaration by the filing of record of an amendment to this Declaration by Declarant extending the application of this Declaration to such additional property which shall thereafter be taken to be covenants running with the land with respect to such additional property. Declarant specifically reserves the right to so add such additional property to the Restricted Premises and effective as of the date of the recording of an amendment to this Declaration adding such additional property to the Restricted Premises in accordance with the preceding sentence, such additional real property shall thereupon become a part of the Restricted Premises.

ARTICLE 3

RESERVE AREAS

Section 3.1 Ownership of Reserve Areas. Not later than the conveyance of the last Residential Lot, including any expansions, to a Lot Owner by Declarant, Declarant shall transfer and convey by quitclaim deed all of Declarant's right, title and interest in the

Reserve Areas, subject to easements now or then existing, to the Association. The boat dockage area which is proposed for the south end of the subdivision is not part of this subdivision and will not be part of the Reserve Areas. However, in the event that the boat dockage area is built the sub-lease interest in a boat slip shall only be conveyed to an owner of a lot in Cove on the Bay Subdivision. If necessary to transfer the Declarant's Lessee interest in the State of Ohio Submerged Land Lease for the boat dockage area to The Docks at Cove On The Bay Association, Inc. the Declarant reserves the right to transfer legal title to all or part of the Reserve Area as shown on the Plat of Cove on the Bay Subdivision which is adjacent to the water to The Docks at Cove On The Bay Association, Inc. subject to the restrictions contained herein.

Section 3.2 Use of Reserve Areas. The Lot Owners and their respective agents and invitees shall have the non-exclusive right to use and enjoy the Reserve Areas. The Association shall have the right to establish rules and regulations regarding the use of the Reserve Areas, including the imposition of limitations on the use thereof, provided such rules and regulations are not inconsistent with the terms of this Declaration. No beach area shall be used as a boat ramp. The Lot Owners who own a sub-lease interest, subject to the terms and conditions of the lease with Ohio Department of Natural Resources for the submerged land, to a boat slip in the proposed dockage area located south of Cove on the Bay Subdivision shall also have the right of ingress and egress to access their watercraft. Further, in the event that the boat dockage area is built and a State of Ohio Submerged Land Lease is acquired the Declarant reserves the right to assign it to the Association. The Declarant shall have the right of ingress and egress to construct and maintain the boat area across the Reserve Area. The Declarant's rights to the use and maintenance of the Reserve Area may be assigned to the Association.

Section 3.3 Care of Reserve Areas. Except as otherwise provided for in this Declaration, the maintenance of the Reserve Areas including the roadways are the responsibility of the Association. The Association shall obtain liability insurance, pay the real estate and personal property taxes and assessments with respect to the Reserve Areas, and maintain the Reserve Areas in good order and repair, the cost of all of which shall be included in the Association Expenses, and the Association shall assess the Lot Owners for the cost thereof in accordance with the terms of this Declaration. The Board of Trustees shall have the power and authority to hire an agent and to authorize such agent to enter into any contract which is necessary for the maintenance of the Reserve Areas and may delegate all or any portion of the Association's responsibilities hereunder.

Section 3.4 Eminent Domain.

3.4.1 Reserve Areas. If all or any part of the Reserve Areas shall be taken by any public authority or by power of eminent domain or any other power or authority similar thereto, or if any public or private authority having such eminent domain power or powers similar thereto requests that all or any portion of the Reserve Areas be taken for such public uses, then the Board of Trustees shall have the right to compromise and/or accept from such authority amounts offered for the portion of the Reserve Areas which authority

desires to take, whether on a temporary or permanent basis, and an officer of the Association, at the direction of the Board of Trustees, shall have the right to execute such documents, instruments and deeds of conveyances as may be required to grant to such authority that portion of the Reserve Areas which are to be so appropriated. Each Lot Owner waives any right which the Lot Owner may have to make any individual claim with respect to the taking of any portion of the Reserve Areas or to participate in such proceedings and/or negotiations and compromise in such proceedings, all such rights being reserved exclusively to the Association. All proceeds received from such eminent domain proceedings or received in compromise of such eminent domain proceedings shall be the sole and exclusive property of the Association and shall be used to augment the funds of the Association as the Board of Trustees from time to time may determine, including, at the option of the Board of Trustees, distribution of all or any portion of the proceeds among the Lot Owners in whatever proportion the Board of Trustees may determine to be equitable in the exercise of its reasonable discretion.

3.4.2 Residential Lot. If all or any part of a Residential Lot shall be taken by any public authority or by power of eminent domain or any other power or authority similar thereto, or if any public or private authority having such eminent domain power or powers similar thereto shall request that all or any portion of a Residential Lot be taken for such public uses, then the Lot Owner of such Residential Lot shall have the right to compromise and/or accept from such authority amounts offered for the portion of such Residential Lot which such authority desires to take, and any and all amounts payable for such taking shall be the exclusive property of the Lot Owner of such Residential Lot and the Association shall have no right, title or interest therein.

ARTICLE 4

ASSOCIATION

Section 4.1 Formation of Association. Declarant shall cause the Association to be known as Cove On The Bay Homeowners Association, an Ohio non-profit corporation, to be formed on or before the earlier of the date on which ten (10) of the Residential Lots shall be sold and conveyed to Lot Owners by Declarant or January 1, 2013. Prior to the formation of the Association, Declarant shall exercise the rights, powers and duties of the Association and the Board of Trustees of the Association, including, without limitation, the power to collect the Assessments, Special Assessments and Special Charges and enforce the lien for such assessments as provided herein below.

Section 4.2 Administration by Association. The Association shall administer the Reserve Areas and shall administer and enforce the covenants and restrictions contained in this Declaration in accordance with the terms and provisions of this Declaration. Prior to the formation of the Association, all rights, duties and obligations of the Association, pursuant to the terms of this Declaration, shall be exercised by and inure to the benefit of Declarant.

Section 4.3 Agreements. The Association shall be and hereby is authorized to enter into such agreements as it may deem necessary or desirable for the administration and enforcement of this Declaration. Each Lot Owner and Occupant shall comply with and agrees to be bound by the terms and conditions of the Declaration and all such agreements entered into by the Board of Trustees on behalf of the Association, and any and all other rules and regulations of the Association and the decisions and resolutions of the Association or the Association's representatives, all as lawfully amended from time to time. The failure to comply with any of the terms and conditions of such rules and regulations, decisions or resolutions shall be grounds for an action to recover sums due as and for damages, and/or for injunctive and/or appropriate relief.

Section 4.4 Board of Trustees. The Board of Trustees of the Association shall consist of three (3) Trustees. From the date of the formation of the Association until January 1, 2013, or such earlier date as ten (10) of the Residential Lots have been sold and conveyed to Lot Owners by Declarant, the Board of Trustees shall consist of the Declarant and two other parties appointed by Declarant. Effective from and after the earlier of January 1, 2013 or such earlier date as ten (10) of the Residential Lots have been sold and conveyed to Lot Owners by Declarant, (i) the Members of the Association shall be entitled to elect one (1) member of the Board of Trustees in accordance with the By-Laws of the Association, (ii) The Declarant shall continue to serve as a member of the Board of Trustees, and (iii) Declarant shall appoint the third member of the Board of Trustees. If an additional plat has been filed by January 1, 2013 or if no additional plat has been filed by January 1, 2023 the number of lots shall be 100% of the platted lots which have been sold and conveyed to Lot Owners by Declarant, or sooner at the sole option of the Declarant, the Members of the Association shall elect all of the members of the Board of Trustees in accordance with the By-Laws of the Association. For purposes of this Section 4.4, the term "Residential Lots" shall include the Residential Lots comprising the Restricted Premises as shown on the Plat and all other Residential Lots made subject to or intended to be made subject to this Declaration in accordance with Section 2.2 of this Declaration.

Except where this Declaration, the non profit corporation law, Law of the State of Ohio, the Articles of Incorporation or the By-Laws of the Association require the approval of the Members, the Board of Trustees shall have the power and authority to bind and take all action on behalf of the Association by the approval of a majority of the Trustees; however, until such time as one hundred percent (100%) of the Residential Lots (81) are sold and conveyed to Lot Owners by Declarant, and in the event a new phase of this subdivision is developed until 100% of the additional lots are sold and conveyed by Declarant the Board of Trustees shall take all action on behalf of the Association to the extent permitted by applicable law.

Section 4.5 Membership. Every person or entity who is a Lot Owner of a Residential Lot shall automatically be a member (a "Member") of the Association. Each Member shall be entitled to one (1) vote for each Residential Lot owned by such Member. When more than one person holds such interest or interests in any Residential Lot all such persons shall be Members, but for quorum, voting, consenting and all other rights of Members, such

persons shall collectively be counted as a single Member and entitled to one vote for each such Residential Lot, which vote for such Residential Lot shall be exercised as they among themselves determine. Each such Member, except Declarant, shall be jointly and severally liable for the payment of assessments hereinafter provided with respect to such Residential Lot.

ARTICLE 5

USE RESTRICTIONS

Section 5.1 Use of Reserve Areas. To the extent permitted by the Association, the Association shall regulate the use of the Reserve Areas as provided below:

(a) The Lot Owners may use the Reserve Areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other Lot Owners as further specified in Section 3.2.

(b) The Board of Trustees shall, if any question arises, determine the purpose for which any part of the Reserve Areas is intended to be used.

(c) The Board of Trustees shall have the right to promulgate rules and regulations limiting the use of the Reserve Areas to Lot Owners, Occupants and their guests as well as to provide for the exclusive use of a part of the Reserve Areas by a Lot Owner and his guests for special occasions which exclusive use may be conditioned, among other things, upon the payment of a fee.

Section 5.2 Residential Purposes. Each Residential Lot shall be used and occupied solely and exclusively by a single family Dwelling Unit for residential purposes. A Lot Owner shall not rent or lease his residence for a period of time less than one (1) month continuously to the same lessee. All leases shall be in writing and made subject to these restrictions. All garages shall be attached to the Dwelling Unit of which they are a part and shall provide for storage. Open storage of vehicles, boats, trailers, equipment, materials, debris, etc. shall not be permitted on any Residential Lot.

Section 5.3 Animals. No chickens or other fowl, livestock or pigs of any kind shall be kept or harbored on the Restricted Premises. Dogs, cats or other domestic household pets suitably maintained and housed within a Dwelling Unit may be kept on the Restricted Premises, subject to the Rules (which may, among other things, limit the numbers and types of pets permitted); however, (i) no animal of any sort may be kept, bred or maintained for any commercial purpose, (ii) household pets will be permitted outside only if on a leash, and (iii) any pet causing or creating a nuisance or unreasonable disturbance shall be subject to permanent removal and exclusion from the Restricted Premises in accordance with the Rules. Properties equipped with an invisible fence within the property boundary lines are an exception to the leash rule.

Section 5.4 Advertising and Sales. Until such time as Declarant has sold and conveyed all Residential Lots, and notwithstanding any provision hereof to the contrary, Declarant shall be permitted to construct and use sales and construction offices and model homes on one or more of the Residential Lots and to maintain one or more large temporary signs on the Restricted Premises advertising the sale of Residential Lots in the Restricted Premises. No other signs of any type or nature shall be permitted to be visible from the outside of the home, except one commercially prepared sign no larger than 24" by 24" advertising the home for sale shall be permitted. Builders who construct homes for speculation may advertise its models for sale, but shall not advertise individual lots for sale without a home. The Association shall have the right to remove any sign in violation of this Section if the owner does not remove after three days written notice.

Section 5.5 Nuisance. No noxious or offensive activity shall be conducted on the Restricted Premises so as to be a nuisance to neighbors. In particular the picnic pavilion shall be closed at 11:00 P.M.

Section 5.6 Control of Motorized Vehicles. No motorized mini bikes, recreational vehicles, motorcycles, mopeds or other similar vehicles, or golf carts, shall be permitted to be used on any portion of the Reserve Areas.

Section 5.7 Poles, Wires, Antennae, Etc. Except for any antennae or other external communication device including a small satellite TV dish installed by or with the approval of the Architectural Control Committee, no exterior antennae or other external communication device shall be permitted on the roof or exterior wall of any building or structure or any yard areas in the Restricted Premises or on the Reserve Areas. Subject to applicable easements and rights, no facilities, including poles and wires, for the transmission of electricity, telephone messages and the like including, without limitation, clothes lines, shall be placed or maintained above the surface of the ground in any portion of the Restricted Premises without the prior approval of the Architectural Control Committee.

Section 5.8 Drainage Ditches and Lines. No person shall interfere with the free flow of water through any drainage ditches or swale established within the Restricted Premises. Ottawa County and the Association shall have the right to enter upon the Restricted Premises to repair and maintain all storm drainage courses, ditches, structures and appurtenances within the Restricted Premises for the purpose of relieving any flooding condition or threatened flooding condition that might be harmful to the property within Ottawa County.

Section 5.9 Rubbish Storage and Removal. Except at times provided for pickup and subject to the Rules, all rubbish, debris and garbage shall be stored and maintained in containers entirely within a garage. Additional or substitute Rules for the storage, maintenance and disposal of rubbish, debris, leaves and garbage may from time to time be established by the Association.

Section 5.10 Boats and Trailers. No boats, snow mobiles, recreational vehicles, personal watercraft or the trailers therefore shall be located upon the Residential Lots or Reserve Areas unless kept within an enclosed attached garage

Section 5.11 Business. No business, trade or profession that involves the entry onto the Restricted Premises of customers, clients, patients or to her persons involved in any way with such business, trade or profession shall be conducted on any Lot.

Section 5.12 On Street Parking. So long as the streets remain private, residents and guests are encouraged to park all vehicles within the driveways and boundaries of their residences. No parking shall be permitted in front of fire hydrants. In no event shall on street parking block any traffic. No cars will be parked more than twelve hours at one time on the road right of way.

Section 5.13 Burial Ground. Part of this subdivision was used in the past as burial grounds for Native American Indians. The Declarant has permitted various interested groups to excavate the site and has established green zones or re-interment areas near Jameson Cemetery which is not within any deeded lot for the relocation of the remains. Those interment areas may not be altered, disturbed, or revisited below grade without the prior express written approval from the Wyandotte Nation. The locations of these areas are shown on an unrecorded map to protect the location from interference from third parties. Each Lot Owner has a right to see said map but not photocopy or retain a copy of it. It is possible that some of the remains or artifacts may not have been entirely found. The removal and disposition of these remains and any remains or artifacts currently in the possession of any other individual or institution will be a cooperative effort between the Declarant and the Wyandotte Nation of Oklahoma or its authorized representative. ICARE, an Ohio-based organization, will assist the Wyandotte Nation to ensure the Nation's wishes are carried out in the event a representative from the Wyandotte Nation cannot be present. Alterations to the interment area and reburial will require the prior express written permission of the Wyandotte Nation because a) Native American burials, skeletal remains, and funereal items are subject to vandalism and inadvertent destruction; b) currently state and federal laws do not fully protect these burial grounds and remains from vandalism and destruction; c) there are no regular means by which Native American Nations and persons can make known their concerns regarding the treatment and disposition of Native American burials, remains, and funereal items; and d) a voluntary compliance with the spirit of state and federal laws between the Declarant and the Wyandotte Nation shows respect for legitimate Native American traditions.

Section 5.14 Garage Sales. No garage or lawn sales shall be permitted except annually as scheduled by the Association.

Section 5.15 Weeds. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain anywhere on lots on the Property, and no unsightly objects shall be allowed to be placed or suffered to remain anywhere on such lots. Vacant lots shall be mowed at least twice a year, once in June and once in September.

Section 5.16 Maintenance of Street During Construction. Lot Owners and their contractors shall keep the streets and common areas free from all debris, machinery equipment and supplies at all times. Any dirt or trash placed on streets or common areas will be cleaned daily. Any damage to the common areas will be repaired immediately.

Section 5.17. Entrance Gate. In the event that an entrance gate is installed only Lot Owners and authorized persons shall have the access code. In the event an unauthorized person is given the code the cost of reprogramming and distribution of the new code shall be assessed to the person who gave the unauthorized person the code.

Section 5.18 Miscellaneous. No trailer, basement, tent, shack, garage, barn, mobile home or other temporary shelter or housing device shall be used as a residence, temporarily or permanently, on the Restricted Premises. No Dwelling Unit shall be used as a residence until the exterior thereof has been completed in accordance with the detailed plans and specifications approved therefor by the Architectural Control Committee. Any truck, boat, bus, tent, mobile home, trailer, recreational vehicle or other similar device, if stored on the Restricted Premises, shall be suitably housed wholly within a garage. No laundry or other materials shall be hung, attached or displayed outside of any Dwelling Unit. No sheets or blankets or similar items shall be displayed on the inside of any window or door. No machinery of any kind shall be placed or operated upon any portion of the Restricted Premises except such machinery as is customarily required for the maintenance of Dwelling Units, related improvements, lawns and landscaping and except for conventional home or hobby machinery. Such permitted machinery shall be stored out of sight of adjoining Dwelling Units and within the respective garage storage areas provided, however, that this provision shall not apply to vehicles and machinery necessary for the construction, reconstruction or repair of any building or structure during the time of such construction, reconstruction or repair.

ARTICLE 6

BUILDING RESTRICTIONS

Section 6.1 Building and Areas Restrictions; Front, Side and Rear Yard Requirements. No structure shall be erected, placed or maintained on any Residential Lot other than one (1) free standing Dwelling Unit of not less than 1,400 square feet of living areas for a one story home and for all other homes not less than 1,800 square feet of living space measured from the outside of the exterior walls, and excluding garages, porches, patios, decks, basements, attic storage or garage storage space) having a private entrance

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as well as a private attached garage of not less than two car capacity and not less than 480 square feet which garage shall be attached or connected by means of a covered access to the Dwelling Unit and such accessory structures and uses as are approved by the Architectural Control Committee.

Section 6.2 Combination of Residential Lots. The construction of a Dwelling Unit on more than one Residential Lot shall be permitted subject to applicable requirements of law respecting the combination of such Residential Lots. Notwithstanding the combination of any Residential Lots, each such Residential Lot so combined shall continue to be assessed and be subject to liens as provided for in Article 9 hereof as though such Residential Lot had not been combined, and the Lot Owners of any Residential Lots so combined shall have the voting rights in the Association appurtenant to ownership of each such original Residential Lot. In the event the ownership of a lot is divided between its two adjacent and contiguous lot owners the liability and fractional vote shall be divided based upon a front foot proration.

Section 6.3 Location of Structures. All Dwelling Units and accessory structures in the Restricted Premises shall be erected wholly within the set back lines of a Residential Lot as specified in the recorded plat of Cove On The Bay Subdivision and in compliance with Danbury Township standards for Residential Lots. If lots have been combined as provided for in Section 6.2 above the set backs for the common lot line shall not apply.

Section 6.4 Maximum Height. No structure constructed or erected within the Restricted Premises shall be greater than two and one-half (2½) stories, nor more than thirty-five (35) feet in height above the main (first) floor level, unless unanimously approved by the Architectural Control Committee. Lower level basements which have a separate entrance are permitted and do not count as a story.

Section 6.5 Minimum Finish Floor Elevation. The minimum finish floor elevation for any living spaced shall be 579 USGS.

Section 6.6 Roof. The roof on the main structure shall have a minimum pitch of 6/12, except for porches. Architectural grade shingles are required i.e. Certaineed Horizon/GAP Woodline or equal approved by the Architectural Control Committee.

Section 6.7 Construction. The Lot Owner shall commence construction of a home within two years from the date the initial deed for said lot from the Declarant is filed for record. In the event the Lot Owner has not commenced construction within the two (2) year period the Declarant at its sole option and discretion may repurchase the lot at the original selling price plus interest at one and one-half percent (1½%) per year. A subsequent Lot Owner, grantee, assignee and/or devisee from the original Lot Owner herein shall also be bound by the original two year period which commenced at the closing and recording of the initial deed. In the event of repurchase the terms of the original contract to the original Lot Owner between the Declarant as Seller and the original Lot Owner/Purchaser shall apply in reverse. The Declarant shall have the right at its option to extend the two year construction period for one additional year notwithstanding the above.

In any event the Declarant's right to repurchase shall terminate after three (3) years from the date the original deed is filed for the Lot from the Declarant. Notwithstanding, the actual availability of lots 2, 3, 4 and 6, the Lot Owner shall have five years from date of purchase to commence construction to allow enough time to complete the search for the Native American Indian remains. In this case the Lot Owner shall have five (5) years from date of closing to commence construction. In all cases once construction has commenced the exterior of the home shall be completed within twelve (12) months.

Section 6.8 Outbuilding. It is intended that two car garages be attached to Dwelling Units, rather than outbuildings, be used to provide storage space. Accessory structures may be added to the rear of the home within the applicable lot set backs, subject to the approval of the Architectural Control Committee.

Section 6.9 Exterior Restrictions.

6.9.1 Prior Approval. The Lot Owners hereby grant to the Architectural Control Committee the right to approve the location, grades and slopes on the Restricted Premises and fix the grade at which any building shall be erected or placed thereon so that the same may conform to a general development plan. No portion of any Residential Lot in front of the Dwelling Unit located thereon shall be used for any other purpose than that of a lawn or yard; nothing herein contained, however, shall be construed to prohibit walks, drives, trees, shrubbery, flowers, and ornamental plants for the purpose of beautifying the Restricted Premises, but no unsightly objects shall be allowed to remain upon any portion of the Restricted Premises. Basketball backboards, above ground pools, boundary reflectors are prohibited except with permission of the Architectural Control Committee.

6.9.2 No Alterations or Modifications. The exterior of any building or structure on the Restricted Premises shall not be altered, modified, changed or redecorated in any way as to change the appearance or decor of such building or structure, nor shall any of the landscaping appurtenant to such building or structure be materially changed without the express written authorization of the Architectural Control Committee. If any such alteration, modification, change or redecoration is completed without approval it shall be deemed to have been undertaken in violation hereof and of Article 7 of this Declaration and subject to the remedies provided for therein.

Section 6.10 Restriction on Type of Home. No mobile homes as defined in the Ohio Revised Code for manufactured homes shall be permitted. Panelized homes shall be permitted subject to restrictions previously stated and subject to Architectural Control Committee approval. Industrialized homes that do not have a certificate of title shall be permitted subject to Architectural Control Committee approval.

Section 6.11 Driveway. All driveways shall be concrete or asphalt and shall be installed prior to occupancy or within six months from the date the home is substantially ready for occupancy if the weather prevents installation at time of occupancy. Any different

type of material such as pavers or exposed aggregate shall be subject to Architectural Control Committee approval.

Section 6.12 Mail boxes, Posts and Lampposts. All mail boxes and posts shall comply with uniform standards specified by the Architectural Control Committee or as directed by the U.S. Postal Authorities. Each Lot Owner is responsible to obtain approval from the Post Master as to the location of each mail box. The Post Master may require two boxes together at the common lot line. All homes shall have one lamp post with a photo cell of the type and kind approved by the Architectural Control Committee. The lamp post shall automatically illuminate each night in the front of the house.

Section 6.13 Fences, Decks, Porches and Patios. No fences of any kind shall be permitted without the express written consent of the Architectural Control Committee. Decks, porches, and patios shall be permitted but required Architectural Control Committee approval.

Section 6.14 House Numbers. Only house numbers which have Architectural Control Committee approval shall be used.

Section 6.15 Approval Required For Construction and Alterations. No Dwelling Unit or other building or structure upon the Restricted Premises shall be erected, altered or suffered to remain, unless or until the architectural design thereof, the size, location, type, cost, use, the materials of construction thereof, the color scheme therefor, the plot plan showing the proposed location, existing and proposed grades of said Dwelling Unit or other building or structure upon the Restricted Premises and the plans, specifications and details of said Dwelling Unit or other building or structure shall have been approved in writing by the Architectural Control Committee and a true copy of said plans, specifications and details shall have been lodged permanently with the Architectural Control Committee. A duplicate copy of the plans shall be approved and returned to the Lot Owner. No Dwelling Unit or other building or structure, except such as conform to said plans, specifications and details, shall be erected, reconstructed or suffered to remain upon the Restricted Premises. There shall be an initial charge for each home plan review in the sum of \$250.00 which shall be paid to the committee. All other submissions will be billed by the committee at the rate of \$25.00 per hour.

Section 6.16 Landscape. The landscape plan must be approved by the Architectural Control Committee and completed prior to the receipt of the final Certificate of Occupancy or a \$2,500.00 cash bond can be posted with Architectural Control Committee with a letter of agreement to complete the landscaping within one year from the receipt of the Certificate of Occupancy. The minimum basic requirements of the landscaping plan is one (1) shade tree located upon the front right of way line and foundation plantings around the frontage of the home.

ARTICLE 7ARCHITECTURAL CONTROLSection 7.1 Formation and Membership of Architectural Control Committee.

Declarant shall form the Architectural Control Committee on or before the date on which the first lot is conveyed to a lot owner. The Architectural Control Committee shall be composed of two (2) members who do not need to be a Lot Owner. Initially, the Architectural Control Committee shall be composed of Declarant and one additional member who shall be appointed by Declarant. At such time as ten (10) years shall have expired or after all eighty-one of the Residential Lots shall have been sold and conveyed to Lot Owners by Declarant, the right of Declarant to appoint members of the Architectural Control Committee shall terminate and thereafter the Board of Trustees shall have the sole right to appoint all members of the Architectural Control Committee except that, at the election of the Declarant, the Declarant or a single designee of the Declarant may continue to serve on the Architectural Control Committee for an additional year. Declarant hereby expressly reserves to itself and to its successors and assigns the right and privilege to assign or relinquish its appointment and rights under this Section 7.1. The assignment or relinquishment of such rights shall become effective only from and after the time a written instrument evidencing such assignment or relinquishment signed by the Declarant or by its successors or assigns shall be filed for record in the Ottawa County Recorder's Office.

Section 7.2 Architectural Theme. All Dwelling Units or other structures to be constructed on the Restricted Premises shall conform to Declarant's original architectural design and construction criteria and such other criteria as shall be adopted from time to time for existing structures, which shall be on file with the Architectural Control Committee, as the same may be amended and approved by the Board of Trustees from time to time.

Section 7.3 Architectural Standards, Harmonious Plan. In requiring the submission of plans and specifications as herein set forth, the Declarant intends to assure the development and maintenance of the Restricted Premises as an architecturally harmonious, aesthetic and desirable residential community, following Declarant's design and construction criteria. In approving or withholding its approval of any plans and specifications, the Architectural Control Committee shall have the right to consider the suitability of the proposed building, structure or improvement and of the materials of which it is to be built, to the building site upon which it is to be erected and the appropriateness and harmony of the contemplated improvements in relation to improvements on adjacent Residential Lots and in relation to the general plan for the development of the Restricted Premises as well as the aesthetic and architectural merits of the proposed building or structure, its effect on the view and outlook from neighboring Residential Lots, the extent to which its location and configuration preserve the natural attributes of the Residential Lots and the surrounding areas, including the trees thereon, and such other matters as may be deemed to be in the interest of the Lot Owners as a whole. Any determination made by the Architectural Control Committee, in good faith, shall be binding on all parties in interest. The following standards are established for the review by the committee:

7.3.1. Standards and guidelines for the design of structures, including:

1. placement on lot
2. building heights, areas, and volume
3. all exterior materials
4. entries and windows
5. parking areas
6. type of main, accessory, and other structures
7. number of structures
8. design
9. colors
10. finished grade elevations
11. visibility of improvements from within the areas and from roads and properties adjacent thereto
12. building exhausts
13. location of small satellite dishes

7.3.2. Standards and guidelines for open space and private ways including:

1. set back requirements
2. front, rear and side yard areas
3. open space
4. landscaping (Architectural Control Committee has established minimum standards that each lot owner must comply with)
5. topography
6. tree lines and placement
7. other vegetation elements and major features
8. locations for screening and mounding
9. type and design of screening and fencing
10. lighting placement
11. view easements
12. size and location of parking areas
13. driveways
14. means of ingress and egress
15. site plans
16. wetlands preservation, protection and enhancement
17. filling of flood plain areas

7.3.3. Standards for environmental compatibility:

1. whether there will be conformity and harmony of external design and general quality with the existing and proposed standards of the neighborhood and adjoining property;
2. suitability of the proposed structure and materials from which it is to be built to the surrounding lots and structures;

3. effect of the proposed structure and appurtenances on the adjacent and neighboring properties; and
4. the effect of the proposed structure and appurtenances from the perspective of the adjacent neighboring property.

Section 7.4 Establishment of Grades. The Architectural Control Committee shall have the exclusive right to approve the establishment of grades, slopes and swales on all building sites and to fix the grade at which any building or structure shall be erected or placed thereon, so that the same shall conform to the general plan for the development and use of the Restricted Premises.

Section 7.5 Submission and Approval of Plans and Specifications. The plans and specifications for all buildings and other improvements and structures (including, but not limited to signs, fences, walls, patios, grills, recreational structures, driveways, hedges, landscaping, garages, and any enclosures) to be constructed, reconstructed, placed, replaced or suffered to remain with the Restricted Premises shall be submitted for examination to the Architectural Control Committee and written approval by the Architectural Control Committee of such plans and specifications shall be obtained before any such building, structure or improvement shall be constructed, reconstructed, placed, replaced or suffered to remain and before any addition, change or alteration may be made to any building or other structure situated in the Restricted Premises. The Architectural Control Committee shall approve, reject or approve with modifications all submissions within sixty (60) days after submission of the plans and specifications required hereunder to the Architectural Control Committee. Failure to so respond within such period shall be deemed to be disapproval of the submission. The plans and specifications to be submitted shall show the size, location, type, architectural design, quality, use, construction materials and color scheme of the proposed building site and the finished grade elevation thereof.

Section 7.6 Construction in Violation of Approved Plan. In all instances where plans and specifications are required to be submitted to and approved by the Architectural Control Committee, if, subsequent to receiving such approval, there shall be any material variance from the approved plans and specifications in the actual construction or location of the improvement, without the written consent of the Architectural Control Committee; such variance shall be deemed a violation of this Article 7 and subject to the remedies herein provided.

Section 7.7 Voting by Architectural Control Committee: Non-Liability for Determinations. Except as otherwise provided herein, determinations by the Architectural Control Committee shall be made by a majority of the members present at any meeting. Unless waived by all members of the committee, not less than two (2) days notice of a meeting shall be given each member in writing or by telephone at his residence address. Two (2) members of the Architectural Control Committee shall constitute a quorum. Although the Architectural Control Committee and the Declarant are granted by this Declaration certain discretion and rights of approval, disapproval and interpretation, the Lot Owners as further consideration for the conveyance to them of such Residential Lots, do,

for themselves, their heirs, personal representatives, successor and assigns, and their successors in the ownership of such Residential Lots, by their acceptance of the conveyance of such Residential Lots, release and forever discharge the Architectural Control Committee and each member thereof and the Declarant from any claims they may have against the Architectural Control Committee, such member or members or the Declarant arising out of the exercise by any of them of such discretion and such rights of approval, disapproval and interpretation and/or for their failure to exercise such discretion, rights of approval, disapproval and interpretation. The Association hereby indemnifies and holds harmless Declarant and each and every member of the Architectural Control Committee from any claim, liability, cost or expense directly attributable to such position, excepting only matters involving fraud and gross willful misconduct.

Section 7.8 Remedies for Violation of This Article 7.

7.8.1 Required Removal or Alteration. Upon written notice from the Architectural Control Committee, any trustee or officer of the Association or the Declarant, any building altered, erected, placed or maintained upon any portion of the Restricted Premises in violation of this Article 7 shall be promptly removed or altered and any such use shall be terminated so as to extinguish such violation.

7.8.2 Summary Abatement; Judicial Remedies. If within fifteen (15) days after written notice of such a violation, reasonable steps have not been taken toward the alleviation or termination of the same or if such remedial action is not prosecuted with due diligence until satisfactory completion of same, the Association shall have the right, through agents and employees, to enter upon the land and to summarily abate and/or remove any building or structure, or to take such steps as may be necessary to extinguish such use, or to cure the violation. In addition to the foregoing, the Association shall have the right to obtain an injunction from any court having jurisdiction for the cessation of such alteration, erection, maintenance or use which is in violation of this Article 7. The rights and remedies of the Association contained in this Article 7 shall be non-exclusive and in addition to any other rights or remedies available at law or in equity. The Association shall notify in writing the person in violation of this Article 7 of all of the costs incurred to remedy same and the amount of damages, if any, to which the Association may be entitled. If said amounts are not paid within ten (10) calendar days following said notification, then said amount shall be deemed delinquent and subject to collection as a Special Charge.

7.8.3 Variances

7.8.3.1 Authority to Grant. To avoid unnecessary hardship and/or to overcome practical difficulties in the application of the provisions of the Declaration, the Architectural Review Committee shall have the authority to grant reasonable variances from the provisions of Section 5, and, so long as Declarant owns one or more Lots on the Property, Declarant may grant reasonable variances from the provisions of Section 6 of the Declaration. No variance shall materially injure or materially adversely affect any other part of the Property or any other Owner or occupant.

7.8.3.2 Non Waiver. No variance granted pursuant to the authority of this Section 7 shall constitute a waiver of any provision of the Declaration as applied to any other party or any other part of the Property, and no variance may be granted to permit anything that is prohibited by applicable law.

7.8.3.3 All Provisions Effective. All provisions of the Declaration not affected by the grant of a variance shall continue to apply with full force and effect to the Lot for which the variance is granted and to the balance of the Property.

ARTICLE 8

GRANT OF EASEMENTS AND RIGHTS-OF-WAY

Section 8.1 For Utilities. The Lot Owners hereby grant, assign and convey to the Association a permanent, non-exclusive easement and right of way in, over, under and across the Restricted Premises for the installation of and maintenance of telephone, electric light, lines or conduits and for any other utility or facility deemed by the Association for it's convenience or necessary for service of the Restricted Premises. The Lot Owners also grant to the Association the right to grant utility companies or public agencies the privilege of installing and maintaining telephone lines, electric lines or conduits, gas lines, water mains and for any other utility or facility in or upon or along the Restricted Premises or the boundary lines of the property or streets upon which the Restricted Premises abut.

Section 8.2 For Access and Maintenance. Easements are hereby established for access and for the preservation, repair, maintenance and replacement of the Reserve Areas.

ARTICLE 9

ASSESSMENTS

Section 9.1 Assessments. Each Lot Owner, by acceptance of a deed to a Residential Lot, hereby agrees to and shall pay to the Association: (a) the annual assessments ("Assessments") levied by the Association, and (b) such special assessments ("Special Assessments") which may be levied by the Association as hereinafter provided. The Declarant shall not pay any assessments for unsold lots. The annual Assessments and Special Assessments shall be used to pay the cost of the Association Expenses, including, without limitation, the cost of maintaining the road, Reserve Areas, charges for maintenance of surface water drainage and the electricity therefore and reasonable reserves which may be required to pay future Association Expenses. Assessments which shall be paid by all of the Lot Owners, except Declarant, shall be paid based upon a fraction, the numerator of which shall be the number of Residential Lots owned by such Lot Owners and denominator of which shall be the total number of Residential Lots owned

by all lot owners in this subdivision including any future expansions, excluding the Declarant. The assessment which has been initially established is Three Hundred and no/100 (\$300.00) per calendar year and shall not be raised or lowered until December 31, 2006. The annual assessment shall be prorated at closing of the purchase of a lot and paid by Purchaser to the Association.

Section 9.2 Payment of Assessments. The estimated Assessments for each calendar year shall be determined by the Association prior to the end of the preceding calendar year, shall become a lien against each Residential Lot on the first day of the year in which such Assessments are due and shall be payable to the Association within thirty days of receipt of an invoice therefore from the Association or as may otherwise be directed by the Board of Trustees. After the actual Association Expenses for a calendar year are determined by the Association, any shortfall shall be paid by the Lot Owners based on their pro rata share and any excess shall be credited against subsequent payments due by the Lot Owners. The Board of Trustees shall have the right to require that the Assessments or Special Assessments be paid in other than annual installments during any calendar year. Each Lot Owner shall be responsible for such payments only with reference to the period of such Lot Owner's ownership of a Residential Lot.

Section 9.3 Special Assessments. The Association shall have the right from time to time, to levy Special Assessments to pay any Association Expenses which are extraordinary and non-recurring. Each Lot Owner shall be responsible for and shall pay such Lot Owner's pro rata share of any such Special Assessment within fifteen (15) days after being invoiced therefore.

Section 9.4 Special Charges. The Special Charges incurred by the Association with respect to any specific Residential Lot shall be at the sole cost and expense of the Lot Owner of such Residential Lot but the Association shall have lien rights, as provided in this Article 9, for non-payment of such Special Charges, including the recovery of reasonable attorneys' fees for costs incurred to cure any default by such Lot Owner as to such Residential Lot.

Section 9.5 Interest. Any Assessments, Special Assessments or Special Charges not paid within ten (10) days after the date the same shall become due and payable, shall be in default and shall bear interest for the period of default at the annual rate of interest equal to the greater of (i) the prime rate as established and published in the Wall Street Journal (or such successor or other institution as determined by the Board of Trustees) as its prime rate of interest plus two (2) percentage points or (ii) the maximum rate of interest permitted by law.

Section 9.6 Certificate. Upon demand of any Lot Owner and after payment of a reasonable charge therefore, the Secretary or Treasurer of the Association shall issue a certificate setting forth whether all Assessments, Special Assessments and Special Charges have been paid with respect to such Residential Lot and, if not, the total amount

of any unpaid amounts. Any such certificate duly issued may be relied on by any bona fide purchaser or mortgagee acquiring an interest in a Residential Lot.

Section 9.7 Personal Obligation of the Lot Owner. Each Lot Owner of a Residential Lot shall be personally obligated to pay for all Assessments, Special Charges coming due during the period of such Lot Owner's ownership of such Residential Lot, together with interest and costs of collection as provided above. The obligation of a Lot Owner to pay such amounts, however, shall remain the personal obligation of such Lot Owner and if such Lot Owner's successor in title assumes such Lot Owner's personal obligation, such prior Lot Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such prior Lot Owner was obligated to pay immediately preceding the transfer of title to the Residential Lot. Each Lot Owner and his or her successors in title who assume such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between them creating the relationship of principal and surety as between them other than any such agreement by virtue of which such Lot Owner and such successors in title would be jointly and severally liable to pay such amounts.

Section 9.8 Lien of the Association. The Association shall have a perpetual lien upon the Residential Lots to secure the payment of the Assessments, Special Assessments, and, as to any specific Residential Lot, the Special Charges incurred by the Association in maintaining any specific Residential Lot, and each such Assessments, Special Assessments or Special Charges shall also be the personal obligation of the Lot Owner (and if a Lot Owner is comprised of more than one person, the joint and several obligation of all such persons) of each Residential Lot as of the time when the Assessments, Special Assessments or Special Charges fall due.

Section 9.9 Default Remedies of Association. If an Assessment or Special Charge is not paid within thirty (30) days after the due date, the Association may bring legal action against the Lot Owner personally obligated to pay the same or foreclose its lien against the Residential Lot to which it relates, or pursue either such course at the same time or successively, and in the event a judgment is obtained, such judgment shall include interest on all amounts due together with the costs of collection as herein provided. The lien provided for herein may be foreclosed in the same manner as a mortgage on real property in an action brought on behalf of the Association by its President or other chief officer, pursuant to authority given to such officer by the Board of Trustees. In the foreclosure action, the Association or its agent, duly authorized by action of the Board of Trustees, is entitled to become a purchaser at the foreclosure sale and may lease, mortgage and/or convey the Residential Lot so sold. Each Lot Owner bound by this Agreement, vests in the Association or its agent the right and power to bring all actions against such Lot Owner personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. No Lot Owner may be relieved from liability for the Assessments, Special Assessments and Special Charges provided for herein by abandonment of such Lot Owner's Residential Lot or otherwise.

Section 9.10 Notice of Lien. The Association may file in the office of the Ottawa County Recorder a "Notice of Lien" executed by an officer of the Association, substantially in the following form, to evidence any delinquent assessment or installment:

Notice of Lien

Notice is hereby given that the Cove On The Bay Homeowners Association, pursuant to the Declaration of Restrictions, Covenants and Easements filed in Volume ___, Page ___, Ottawa County Recorder's Office, claims a lien for unpaid assessments (and/or other charges) in the amount of Dollars (\$_____) together with interest and attorney fees as stated in the Declaration against the following described premises:

(insert legal description)

The owners of the above specified real estate are _____ as shown on Exhibit A attached hereto being a copy of the current deed.

Executed on this ____ day of _____, 200__.

COVE ON THE BAY HOMEOWNERS
ASSOCIATION, an Ohio not for profit corporation

By: _____

STATE OF OHIO
COUNTY OF _____, SS:

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named COVE ON THE BAY HOMEOWNERS ASSOCIATION, an Ohio not for profit corporation, by _____, its President, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of said corporation and his free act and deed individually and as such officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at _____, Ohio, this ____ day of _____, 20__.

NOTARY PUBLIC

This instrument prepared by:
John A. Kocher, Attorney at Law
Port Clinton, Ohio 43452

Such lien shall remain valid for a period of five (5) years from the time of filing thereof, unless extended during the original five year period for one additional five year period by notice recorded in the Ottawa County Recorder's Office and marginalized on the

original Notice of Lien or unless sooner released or satisfied in the same manner provided by law for the release and satisfaction of mortgages on real property or discharged by the final judgment or order of the court in an action brought to discharge such lien as hereinafter provided. In the event any such Assessments, Special Assessments or Special Charges are not paid when due, the Association may, when and as often as such delinquencies occur, proceed by process of law to collect the amount then due by foreclosure of the above described lien or otherwise, in such event shall also be entitled to recover and enforce against each Residential Lot a lien for its costs and expenses, including attorneys' fees. No Lot Owner may waive or otherwise avoid liability for the Assessments, Special Assessments and Special Charges provided for herein by non-use of the Reserve Areas or any facilities located thereon or by abandonment of the Residential Lot.

Section 9.11 Priority of Lien.

9.11.1 Subordinate to Lien of Mortgagee. The lien and permanent charge of the Assessments, Special Assessments and Special Charges (together with interest thereon and any cost of collection) authorized herein with respect to any Residential Lot is hereby made subordinate to the lien of any mortgagee or its assigns placed on such Residential Lot if, but only if, all such Assessments, Special Assessments and Special Charges with respect to such Residential Lot having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments, Special Assessments and Special Charges authorized hereunder having a due date subsequent to the date such mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure or the sale under power contained in such mortgage.

9.11.2 Lot Owner Liable. Such subordination is merely a subordination and (i) shall not relieve the Lot Owner of a mortgaged Residential Lot of such Lot Owner's personal obligation to pay all assessments coming due at a time when he is the Lot Owner, (ii) shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent a subordinated lien and permanent charge is extinguished as a result of such subordination or against a mortgagee or such mortgagees, assignee, or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure or by sale under power), and (iii) no sale or transfer of such property to the mortgagee or to any other person pursuant to a foreclosure sale, or pursuant to a sale under power, shall relieve any existing or previous Lot Owner from liability for any assessment coming due before such sale or transfer.

ARTICLE 10ENFORCEMENT AND REMEDIES FOR BREACH
OF PROTECTIVE COVENANTS.

Section 10.1 Right to Enforce. Declarant, the Architectural Review Committee and/or any Owner shall have the right to enforce the Declaration of Restrictions, Covenants and Easements at law or equity by prosecuting any proceeding against the party or parties violating or attempting to violate any one or more of the covenants. This right of enforcement shall include the right to recover damages and/or to seek injunctive relief to prevent the violation of any one or more of the Protective Covenants.

Section 10.2 Violation Declared Nuisance. Any action or omission which violates any provision of this Declaration is declared to be a nuisance. Every remedy allowed by law or equity against an Owner shall be applicable in case of any such violation and may be exercised by Declarant, the Architectural Review committee and/or any other Owner.

Section 10.3 Right to Enter. In addition to the rights stated in Sections 10.1 and 10.2 above, the Declarant, so long as it owns one or more Lots, and/or the Architectural Review committee, shall have the right to enter upon any part of the Property at any reasonable time to inspect for a possible violation of the Protective Covenants. Where the inspection shows that a violation of the Protective Covenants exists, Declarant and/or the Committee shall then have the right to abate and remove any structure, thing or condition causing the violation at the expense of the Owner of the Lot where the violation exists, without any liability to the Owner for trespass or any other claim resulting from the entry.

Section 10.4 Remedies Cumulative. The remedies specified in this Section 10 are cumulative and do not preclude resort to any other remedy at law or in equity by any party adversely affected by any violation of the Protective Covenants.

Section 10.5 Attorney Fees. In any proceeding for the enforcement of any of the provisions of this Declaration or for the restraint of a violation of any such provision, the losing party shall pay all of the attorney's fees and court costs of the prevailing party in such amount as may be fixed by the Court in the proceedings.

Section 10.6 Delay Not Waiver. No delay or failure on the part of any aggrieved party to pursue any available remedy with respect to a violation of any provision of this Declaration shall be held to be a waiver by that party of, or an estoppel of that party to assert, any right available to the party upon the recurrence or continuation of the violation or the occurrence of any different violation. No provision of this Declaration shall be construed so as to place upon the Declarant or any other aggrieved party any duty to take any action to enforce this Declaration.

ARTICLE 11ROADS

Section 11.1 Roads in Cove On The Bay Subdivision. The roads in Cove On The Bay Subdivision will be built to existing Ottawa County standards. They have been dedicated to the use of the lot owners of this subdivision as well as future subdivisions. The Declarant reserves the right to deed the legal title to the roads, common areas and Reserve Areas to the Cove on the Bay Homeowners Association, an Ohio not for profit corporation.

ARTICLE 12AMENITIES

Section 12.1 Amenities. In the event that the Declarant constructs a facility for the use of the lot owners in this subdivision it may be used by additional subdivisions which are made subject to these restrictions.

Section 12.2 Non-Profit. The amenity shall be owned and operated upon a not for profit basis, but for the good of the entire project as well as this subdivision.

ARTICLE 13GENERAL PROVISIONS

Section 13.1 Term. This Declaration and the covenants, restrictions, charges and liens set forth herein shall run with and bind the Restricted Premises and all Lot Owners and their respective heirs, executors, administrators, personal representatives and assigns from the date that this Declaration is recorded until December 31, 2030. Thereafter, this Declaration shall be automatically extended for successive periods of ten (10) years unless amended or canceled as provided herein. If any of the provisions of this Declaration shall be in violation of the rule against perpetuities or any other analogous or comparable statutory or common law rule, such of the provisions as shall be so affected thereby shall continue in effect only until twenty-one (21) years after the death of the last survivor of the now living descendants of George W. Bush, President of the United States of America, and Richard Cheney, Vice-President of the United States of America.

Section 13.2 Articles and Regulations of Association. The Articles of Incorporation and By-Laws of the Association may contain any provisions not in conflict with this Declaration as are permitted to be set forth in such Articles and By-Laws by the Non-Profit Corporation Law of the State of Ohio.

Section 13.3 Non-Waiver of Covenants. No covenant, restriction, condition, obligation or provision contained herein shall be deemed to have been abrogated or

waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 13.4 Acceptance of Deed. Each Lot Owner of a Residential Lot by the acceptance of a deed or other instrument of conveyance, and each mortgagee, by accepting a mortgage encumbering any Residential Lot, automatically thereby consents and approves of this Declaration and specifically, without limitation, the provisions of Article 10 hereof, and further accepts the same subject to this Declaration and all conditions, restrictions and easements of record. All restrictions, conditions, covenants, reservations, liens, charges, rights and powers created, granted or reserved by the terms of this Declaration shall be deemed to be covenants running with the Restricted Premises, and shall bind any person having at any time any interest or estate in the Restricted Premises, or any improvements thereon, and shall inure to the benefit of Declarant, the Association and each Lot Owner as though the provisions hereof were recited and stipulated at length in each and every deed of conveyance. Each of the Declarant and the Association shall have the right to have any breach or threatened breach of the covenants and restrictions contained herein enjoined by order of any court having jurisdiction and the right of specific performance with respect to the provisions of each such covenant or restriction.

Section 13.5 Assignment by Declarant. The rights, privileges and powers granted by this Declaration to, and or reserved by, Declarant may be assigned at any time by the Declarant and shall inure to the benefit of the successors and assigns of Declarant and any such assignment by Declarant shall be in writing and shall be recorded in the office of the Recorder of Ottawa County, Ohio.

Section 13.6 Amendment; Cancellation. This Declaration may be amended or canceled only as follows:

(a) This Declaration may be amended for the purpose of adding real property to the Restricted Premises and subjecting additional real property to the provisions of this Declaration by an instrument in writing signed by Declarant.

(b) This Declaration may be amended by the Declarant, in its discretion, at any time prior to the first to occur of January 1, 2010 or the date on which all Residential Lots are sold, in order to (i) comply with any requirements of any federal, state or local government agency or instrumentality (as such regulations may be amended periodically), (ii) cure any ambiguity, inconsistency or formal defect or omission in this Declaration, (iii) affect changes in the plat or plats of the Restricted Premises and/or affect any other changes not materially adverse to the interests of the Lot Owners or to the holders of mortgages encumbering Residential Lots owned by Lot Owners.

(c) This Declaration may be amended in writing if duly authorized and approved at a meeting of the Members by the affirmative vote of at least sixty-seven percent (67%) of the Members, provided that such meeting shall be held at least one (1) year in advance of the effective date of such amendment and written notice of such meeting shall be given to

each Member at least sixty (60) days in advance of the date of such meeting, stating that such amendment will be considered at such meeting.

(d) This Declaration may be canceled in writing if duly authorized and approved at a meeting of the Members by the affirmative vote of at least seventy-five percent (75%) of the Members, provided that such meeting shall be held at least one (1) year in advance of the effective date of such cancellation and written notice of such meeting shall be given to each Member at least sixty (60) days in advance of the date of such meeting, stating that such cancellation will be considered at such meeting.

(e) Any such amendment or cancellation shall become effective from and after the filing with the Recorder of Ottawa County, Ohio of an instrument satisfying the formalities required by law for recording either (i) stating the amendment and signed by either the Declarant or by all approving Lot Owners (as the case may be) or (ii) giving notice of such cancellation which shall be executed on behalf of the Association by a duly authorized officer.

Section 14.7 Notices.

14.7.1 To Lot Owner. Any notice required to be sent to any Lot Owner shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person or entity who appears as such Lot Owner as such address appears on the applicable records of the Association.

14.7.2 To Declarant. Any notice required to be sent to the Declarant shall be deemed to have been properly sent when mailed, postage prepaid, to the following address or such other address as Declarant shall direct in a written amendment to this Declaration:

The Cove On The Bay, LLC
ATTN: Greg Spatz, member
2785 SE 11th Street
Pompano Beach, Florida 33062

14.7.3 To Association. Any notice required to be sent to the Association or the Architectural Control Committee shall be deemed to have been properly sent when mailed, postage prepaid, to the following address or such other address as the Association shall direct in a written amendment to this Declaration:

Cove On The Bay Homeowners Association
ATTN: Greg Spatz
2785 SE 11th Street
Pompano Beach, Florida 33062

COPY

Section 14.8 Covenants Running with the Restricted Premises. All provisions of this Declaration shall be construed to be covenants running with the Restricted Premises, and with every part thereof and interest therein. Each and every provision of this Declaration shall bind and inure to the benefit of Declarant and all Lot Owners and claimants of the Restricted Premises or any part thereof or interest therein, and their respective heirs, executors, administrators, personal representatives, successors and assigns. Each Lot Owner and any of Lot Owners, successors in interest shall be liable only while Lot Owner of a Residential Lot (or any part thereof) and shall not be personally liable for any act, default or liability arising under this Declaration unless occurring during its or their ownership and, upon the conveyance of such Residential Lot shall be released from any liability except as such shall occur during such ownership.

Section 14.9 Severability. Any change or invalidity of any one or more of the restrictions, covenants and agreements herein contained shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 14.10 Gender and Grammar. The singular, whenever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply, either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 14.11 Titles. The titles and headings set forth in this Declaration are for convenience and reference only and shall not affect the Interpretation of any term, condition, provision, covenant, representation or warranty contained in this Declaration.

Section 14.12 Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity to recover sums due, for damages or injunctive relief, or both maintainable by the Board of Trustees on behalf of the Association or by an aggrieved Lot Owner. Failure by the Association to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

EXECUTED this 7 day of Feb., 2004.

The Cove On The Bay, LLC,
an Ohio limited liability company

by: Greg A. Spatz, member

F1a
 STATE OF ~~OHIO~~
 COUNTY OF ~~OTTAWA~~, SS:
Broward

Before me, a Notary Public in and for said County, personally appeared the above named, The Cove On The Bay, LLC, an Ohio limited liability company, by Greg L. Spatz, who acknowledged that he did sign the foregoing instrument, and that the same is his free act and deed and the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at ~~Port Clinton, Ohio~~, this 7 day of FEB., 2004.
Pompano Beach, FL

[Signature]
 NOTARY PUBLIC



This instrument prepared by:
 John A. Kocher, Attorney at Law
 Port Clinton, Ohio 43452
 b

COPY