

DECLARATION  
OF  
COVENANTS, RESTRICTIONS AND AGREEMENTS  
FOR  
JEROME VILLAGE COMMUNITY AUTHORITY  
IN THE  
COUNTY OF UNION, OHIO

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DECLARATION OF COVENANTS, RESTRICTIONS AND AGREEMENTS

FOR JEROME VILLAGE COMMUNITY AUTHORITY

IN THE COUNTY OF UNION, OHIO

This DECLARATION OF COVENANTS, RESTRICTIONS AND AGREEMENTS FOR JEROME VILLAGE COMMUNITY AUTHORITY IN THE COUNTY OF UNION, OHIO (this Declaration”), is made on this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by Jerome Village Company, LLC, an Ohio limited liability company (the “Initial Private Developer”). The following are signing this Declaration not as a Developer but solely as the current Owners of parcels that constitute part of the Initial Property for which the Initial Private Developer holds a right of first refusal or an option or a contract to purchase: Jerome United Methodist Church, Inc.; J.A.S. Limited Partnership; John R. Andrews, Trustee of the John R. Andrews Living Trust; George Edward Andrews and Rebecca J. Andrews; William Henry Andrews; Jon E. Hjelm and Kathy K. Hjelm; William H. Marx, Jr., and Christine S. Marx; Scott E. Sonnenberg and Jennifer L. Sonnenberg; Barbara Wilcox, Trustee of the Charles Wilcox Trust; J. Wesley Williams and Patricia E. Williams; and Peggy W. Yerke (collectively, the “Initial Owners”).

The Initial Private Developer owns or controls, including by a right of first refusal or an option or a contract to purchase, the Initial Property. From time to time, Additional Property may be subjected to this Declaration as provided herein. The Initial Private Developer and the Initial Owners make this Declaration for the purposes hereinafter set forth.

The Developers and the Owners (including the Initial Owners, their heirs, successors and assigns, and any Owner of any Additional Property subsequently subjected to this Declaration) hereby declare that the Property shall be improved, held, sold, conveyed, encumbered, leased, occupied or otherwise transferred subject to the Restrictions, which shall constitute covenants running with the Property and shall be binding upon all parties now or hereafter having any right, title or interest in the Property or any part thereof, and all such persons, including their respective heirs, personal and legal representatives and successors and assigns, acquiring any right, title or interest in the Property, and as a part of the consideration therefor, agree that their right, title and interest in the Property or any part therein shall be improved, held, sold, conveyed, encumbered, leased, occupied or otherwise transferred subject to the Restrictions.

ARTICLE I

PURPOSE AND INTENT

The Property is a New Community District, formed in accordance with Chapter 349, and in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. The Developers and the Owners (including, but not limited to, the Initial Owners) shall be bound by

the terms of this Declaration. The Initial Private Developer initiated proceedings for the organization of a New Community Authority and the creation of the New Community District in accordance with Chapter 349 for the purpose of encouraging the orderly development of a well-planned, diversified and economically sound New Community through the implementation of a New Community Development Program. The Initial Private Developer anticipates that the costs of carrying out the New Community Development Program, including debt service on any New Community bonds, notes or loans authorized by the Community Authority under Chapter 349, and any other cost incurred by the Community Authority in the exercise of its powers under Chapter 349, will be covered in whole or in part by the payment of the Community Development Charge (including the Income Charge, if any) by each Owner and Resident of a Chargeable Parcel, as well as by receipts from the Community Fee and the Utility Access/Community Fee.

In order to provide for the New Community District, the implementation of the Community Authority's New Community Development Program and the establishment and payment of the Community Development Charge, the Community Fee and the Utility Access/Community Fee, this Declaration is for the purpose of creating covenants running with the land, pursuant to which all persons now or hereafter having any right, title or interest in the Property or any part thereof, including their respective heirs, personal and legal representatives and their successors and assigns, shall acquire and hold such right, title or interest subject to the Restrictions, including, but not limited to, the obligation of the Owner of each Chargeable Parcel to pay the Community Development Charge (including the obligation of any Resident to pay the Income Charge, if any) as well as the obligation of the Owner of a Development Parcel within the initial boundaries of the New Community District to pay the Community Fee applicable thereto and the obligation of the Owner of a Parcel outside the initial boundaries of the New Community District that joins the Community Authority to access utilities to pay the Utility Access/Community Fee applicable thereto. The Restrictions and this Declaration are imposed for the benefit of the New Community District and the Community Authority.

## ARTICLE II

### DEFINITIONS

In addition to the terms defined elsewhere in this Declaration, as used in this Declaration including the preambles, unless the context otherwise requires, the following words shall mean, respectively:

2.01. Additional Private Developers. "Additional Private Developers" means one or more persons or entities (and its or their respective successors in interest), other than the Initial Private Developer, that the Community Authority determines to permit to become a party to this Declaration as an Additional Private Developer (by means of supplemental Declaration); provided that no Additional Private Developer may become a party to this Declaration without the consent of the Initial Private Developer so long as it owns or controls any of the Property. A person or entity shall be deemed a successor in interest of an Additional Private Developer only if specifically so designated in a duly Recorded written instrument as a successor or assign of an Additional Private Developer under this Declaration and/or under a supplemental Declaration

and shall be deemed a successor in interest of such Additional Private Developer only as to the particular rights or interests of that Additional Private Developer under this Declaration or under such supplemental Declaration which are specifically designated in the Recorded written instrument.

2.02. Additional Property. “Additional Property” means such other real estate as may be subjected to this Declaration pursuant to Article III hereof.

2.03. Adjusted Gross Income. “Adjusted Gross Income” means:

(a) the sum of:

(i) adjusted gross income as that term is defined in the Internal Revenue Code of 1986, as amended;

(ii) interest and dividends on obligations or securities of any state or of any political subdivision or authority thereof, other than the State of Ohio and its subdivisions and authorities; and

(iii) interest and dividends on obligations of any authority, commission, instrumentality, territory or possession of the United States as may be exempt from federal income taxes but not from state income taxes;

(b) less the sum of:

(i) interest and dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States;

(i) Profits (to the extent of the Resident’s share thereof in the case of an S Corporation, as defined in the Internal Revenue Code of 1986, as amended, a partnership or other joint venture) from a Place of Business on the Property;

(iii) disability and survivor’s benefits;

(iv) amounts of net income arising from transactions, activities and sources in the regular course of a trade or business, including income from tangible and intangible property if the acquisition, rental, management and disposition of the property constitute integral parts of the regular course of a trade or business operation, upon which amounts an income tax or tax measured by income is imposed by the District of Columbia or by any state except the State of Ohio; and

(v) net income with respect to which the imposition of an Income Charge is prohibited by the Constitution of the United States, by Act of Congress, by the Constitution of the State of Ohio, or by act of the General Assembly of the State of Ohio.

2.04. Assessed Valuation.

(a) “Assessed Valuation” means, as to any Chargeable Parcel with respect to any year’s budget for which the Community Development Charge is being levied, an amount equal to the assessed valuation thereof (including the buildings, structures and improvements thereon) listed on the tax duplicate prepared by the Auditor for the most recent tax year for which that information is publicly available and disregarding any reductions pursuant to any applicable law for the purpose of reducing real estate taxes for certain persons in the State of Ohio (including, but not limited to, reductions for persons 65 years of age or older pursuant to Section 2 of Article XII, Ohio Constitution, as the same may be amended from time to time) except the reductions described in Section 5.05 hereof. If by reason of any change of law, rate or common level of assessment the assessed valuation for purposes of the tax duplicate is to be determined as an amount which is less or more than thirty-five percent (35%) of the true value of the real property assessed, then upon determination by the Board “Assessed Valuation” shall mean the assessed valuation shown on the tax duplicate adjusted to equal thirty-five percent (35%) of the true value. If the assessed valuation listed on the tax duplicate for the most recent tax year for which that information is publicly available does not reflect the completed value of any structure(s) on a Chargeable Parcel, then the “Assessed Valuation” shall be determined by the Board in its sole and absolute discretion using such criteria as the Board may establish from time to time, subject to any applicable adjustments to be made under this subsection (a).

(b) If the Auditor and all officials authorized by Ohio law to assess real estate in the County shall ever cease to assess real estate or if an assessed valuation has not yet been listed on the tax duplicate of the Auditor for the most recent tax year for which that information is publicly available for a Chargeable Parcel or if there is no longer a tax duplicate, “Assessed Valuation” shall mean, as to any Chargeable Parcel for each year thereafter, the Assessed Valuation determined by the Board in its sole and absolute discretion using such criteria as the Board may establish from time to time, subject to any applicable adjustments to be made under subsection (a) of this Section.

(c) If any Chargeable Parcel is not separately listed on the Auditor’s tax duplicate with respect to any year, “Assessed Valuation” shall be determined by the Board, equitably apportioning to such Chargeable Parcel a portion of the Assessed Valuation of the Parcel or Parcels from which such Chargeable Parcel was subdivided or created.

2.05. Assessed Valuation Charge. “Assessed Valuation Charge” means the charge established in Article V hereof, including all penalties and interest pertaining to any unpaid amount.

2.06. Auditor. “Auditor” means the auditor of the County.

2.07. Board. “Board” means the Board of Trustees of the Community Authority.

2.08. Chapter 349. “Chapter 349” means Chapter 349 of the Ohio Revised Code, as enacted and amended from time to time.

2.09. Chargeable Parcel. “Chargeable Parcel” means any Parcel of Chargeable Property, including all buildings, structures and improvements thereon.

2.10. Chargeable Property. “Chargeable Property” means all Development Parcels together with all buildings, structures and improvements thereon, with the exception of the following:

(a) all lands, buildings, structures and improvements owned by the United States of America, the State of Ohio, the Community Authority and all other political subdivisions or governmental instrumentalities of the State of Ohio that are exempt from real estate taxation under Ohio law;

(b) all lands, buildings, structures and improvements exempt from real estate taxation under Ohio law, provided that such exemption from the Community Development Charge has been determined by the Board to be consistent with the purposes and needs of the Community Authority and not inconsistent with any commitments made with respect to any obligations of the Community Authority; and

(c) any Development Parcels for which (i) no certificate of occupancy has been issued or is eligible to be issued for a new structure on that Parcel; or (ii) any new structure thereon is not substantially completed as determined by the Board.

2.11. Community Authority. “Community Authority” means the Jerome Village Community Authority, a body corporate and politic, established for the New Community District pursuant to Chapter 349.

2.12. Community Development Charge. “Community Development Charge” means, collectively, the charges established in Articles IV, V and VI hereof, including all applicable penalties and interest pertaining to any unpaid amount.

2.13. Community Facilities. “Community Facilities” has the meaning given in Section 349.01 of the Ohio Revised Code; provided, however, that all Community Facilities provided through or under, or the operation and maintenance of which are supported from the Community

Development Charge, shall be consistent with the Petition and any applicable agreements between Union County, Ohio, and the Developer.

2.14. Community Fee. “Community Fee” means the fee established in Article IX hereof.

2.15. County. “County” means the county in which a Parcel is located.

2.16. Declaration. “Declaration” means this Declaration of Covenants, Restrictions and Agreements for Jerome Village Community Authority in the County of Union, Ohio, as of the date set forth above, as the same may be amended or supplemented from time to time in the manner prescribed in Articles III or XII hereof.

2.17. Developer. “Developer” means the Initial Private Developer or any Additional Private Developer, and “Developers” means, collectively, the Initial Private Developer and any Additional Private Developers.

2.18. Development Parcel. “Development Parcel” means any Parcel for which a final subdivision plat or lot split creating additional tax parcels has been filed from and after the Effective Date; provided, however, that the Board may determine, in its sole discretion, that the Parcels resulting from the split of any Parcel in existence on the Effective Date into three (3) or fewer Parcels shall not constitute a Development Parcel.

2.19. Development Period. “Development Period” for any portion of the Property means the period commencing on the date on which this Declaration is Recorded and ending on the date the Developer of such Property has transferred such Property to other Owners (other than to another Developer).

2.20. Effective Date. “Effective Date” has the meaning given in Section 11.01 hereof.

2.21. Fiscal Meeting. “Fiscal Meeting” means the annual meeting of the Board described in Article VII hereof.

2.22. Income. “Income” means, with respect to a Resident who has a Place of Residence on the Property, Adjusted Gross Income, and with respect to a Resident who maintains a Place of Business on the Property, Profits, with the calculation of each subject to adjustment as provided in Section 7.03. A person or entity shall not be deemed to be maintaining a Place of Business on the Property because a partnership in which he is a partner or an S Corporation (as defined by the Internal Revenue Code of 1986, as amended) of which he is a shareholder is maintaining a Place of Business on the Property.

2.23. Income Charge. “Income Charge” means the charge established in Article VI hereof.

2.24. Income Charge Administrator. “Income Charge Administrator” means any person designated by the Community Authority to administer or enforce the provisions of the Income Charge, or its designee.

2.25. Income Charge Year. “Income Charge Year” means, for each Resident, such Resident’s taxable year for federal income tax purposes.

2.26. Initial Private Developer. “Initial Private Developer” is defined in the preamble, but the defined term includes the Initial Private Developer’s successors in interest. A person or entity shall be deemed a successor in interest of the Initial Private Developer only if specifically so designated in a duly Recorded written instrument as a successor or assign of the Initial Private Developer under this Declaration and/or under a supplemental Declaration and shall be deemed a successor in interest of the Initial Private Developer only as to the particular rights or interests of the Initial Private Developer under the Petition, this Declaration or under such supplemental Declaration which are specifically designated in the Recorded written instrument.

2.27. Initial Property. “Initial Property” means the real estate as described in Exhibit A and depicted in Exhibit B, each attached hereto and incorporated herein by reference.

2.28. Jerome Township. “Jerome Township” means Jerome Township, Union County, Ohio.

2.29. Jerome Village Fire Safety Contribution. The “Jerome Village Fire Safety Contribution” means the Initial Private Developer (i) donating to Jerome Township a site and constructing thereon for the benefit of Jerome Township a Township Fire Station facility, including space for a police substation and administrative offices as well as related parking and site amenities, and (ii) either equipping or providing funds to Jerome Township to equip the Jerome Village Fire Station to the specifications and requirements of the Jerome Village Fire Department; provided that the maximum amount of the Jerome Village Fire Safety Contribution, excluding the value of the land donated for the site but including all other design, engineering, architectural, development, construction and acquisition costs, is \$5,500,000.

2.30. Jerome Village General Township Contribution. The “Jerome Village General Township Contribution” means (i) an initial \$250,000 cash contribution to Jerome Township at the time of receipt of all required governmental approvals for the first final plat for the New Community District, and thereafter (ii) on a yearly basis, on each anniversary of the initial contribution, a \$100,000 cash contribution to Jerome Township for the next ten (10) years, (iii) a \$227.27 cash contribution to Jerome Township at the time of issuance of each residential building permit for the New Community District, up to a maximum amount of \$500,000, and (iv) a final \$400,000 cash contribution to Jerome Township on the eleventh (11th) anniversary of the initial \$250,000 payment, for a total maximum contribution of \$2,150,000, all to be made by the Initial Private Developer; provided, however, that in the event the Initial Private Developer, at the request of the Township, provides land, buildings or other facilities to the Township (other than as part of the Jerome Village Fire Safety Contribution), the Initial Private Developer shall receive a dollar-for-dollar offset of the abovementioned cash contributions.

2.31. Late Payment Rate. “Late Payment Rate” means the “federal short term rate” determined pursuant to Section 5703.47(A) of the Ohio Revised Code, rounded to the nearest whole number percent, plus three percent (3%).

2.32. New Community District. “New Community District” means the New Community District for the Jerome Village Community Authority created pursuant to Chapter 349.

2.33. Ohio Revised Code. Reference to any Section of the Ohio Revised Code means that Section of the Ohio Revised Code as enacted and amended from time to time.

2.34. Owner. “Owner” means, with respect to any Parcel, the owner of record from time to time, whether one or more persons or entities, of an interest in: (i) fee simple; (ii) reversion; (iii) remainder; or (iv) leasehold estate of 75 years or more, and includes (but is not limited to) the Initial Owners, but shall not include the Community Authority.

2.35. Parcel. “Parcel” means such parcel of the Property which has a separate listing on the tax duplicate prepared by the Auditor or on the records of any other official authorized by Ohio law to assess real estate in the County. Should each unit of a condominium not have a separate listing on the tax duplicate as provided above, then until such time, each condominium unit chargeable by its condominium association for such unit’s share of that parcel’s real property taxes shall also be considered a “Parcel.”

2.36. Petition. “Petition” means the Petition for Organization of a New Community Authority relating to the New Community District.

2.37. Place of Business. “Place of Business” means any location on the Property on or in which an Owner or Tenant (including any subsidiary or other entity controlled directly or indirectly by such Owner or Tenant) conducts a professional, commercial (including retail) or industrial activity or any other activity permitted by law. A contractor who is an Owner or Tenant shall have a Place of Business at each of his or her construction or work sites on the Property. Each landlord of any Parcel or any part thereof or interest therein, including each sublandlord and each assignee of such landlord or sublandlord, shall have a Place of Business at the Parcel.

2.38. Place of Residence. “Place of Residence” means the place on the Property in which a person’s habitation is fixed, and to which, whenever such person is absent, such person has the intention of returning. A person shall not be considered to have lost such person’s Place of Residence by leaving it temporarily with the intention of returning.

2.39. Profits. “Profits” means Profits as defined in Exhibit C attached hereto and incorporated herein by reference.

2.40. Property. “Property” means, collectively, the Initial Property and any Additional Property, the Initial Property being all of the Property unless and until any other real estate is added or removed by supplemental Declaration.

2.41. Recorded. “Recorded” means filed for record in the office of the Recorder of the County or in such other office as may be provided by law for the recordation of instruments conveying lands in the County.

2.42. Resident. “Resident” means any person who has a Place of Residence or any person or entity who has a Place of Business, including a partnership or an S corporation as defined in Section 1361 of the Internal Revenue Code of 1986, as amended.

2.43. Restrictions. “Restrictions” means all covenants, conditions, restrictions, charges, liens and other obligations provided for in this Declaration.

2.44. Secretary. “Secretary” means the person serving as the secretary of the Board, or any other person designated by the Board to receive service of process.

2.45. Tenant. “Tenant” means any person or entity (i) occupying all or a portion of any Parcel (including any part thereof and any structure or any part of any structure thereon) pursuant to a written or oral lease, rental or license agreement with the Owner, (ii) by permission of the Owner or with any other person or entity claiming under the Owner, or (iii) under a tenancy at will or sufferance.

2.46. Terms Defined in Chapter 349. The terms “Land Acquisition”, “Land Development,” “New Community,” “New Community Authority,” “New Community Development Program” and “New Community District” have the meanings given in Section 349.01 of the Ohio Revised Code provided, however, that all Land Acquisition or Land Development provided through or under, or the operation and maintenance of which are supported from the Community Development Charge, shall be consistent with the Petition, this Declaration and any applicable agreements between Union County, Ohio, and the Developer.

2.47. Utility Access/Community Fee. “Utility Access/Community Fee” means the fee established in Article X hereof.

### ARTICLE III

### EXPANSION

Additional Property may from time to time be subjected to this Declaration and the Restrictions by recording a supplemental Declaration substantially in the form of Exhibit D attached hereto and incorporated herein by reference describing the Additional Property and subjecting it to the Restrictions and this Declaration. Such supplemental Declaration shall not require the consent of the Owners of the Property or compliance with the provisions of Article XII hereof but shall be made with the consent of the Initial Private Developer (so long as it owns

or controls any of the Property) and the Community Authority. Any such expansion shall be effective upon such supplemental Declaration being Recorded, unless otherwise provided therein. Any expansion may be accomplished in stages by successive supplemental Declarations or in one supplemental Declaration. All Owners, successors and assigns to any of the Property shall take such Property subject to this Declaration for so long as this Declaration is in effect.

#### ARTICLE IV

#### COVENANT FOR COMMUNITY DEVELOPMENT CHARGE; ENFORCEMENT OF CHARGE AND FEES

4.01. Community Development Charge Covenant. The Developers and the other Owners (including the Initial Owners, their heirs, successors and assigns, and any Owner of any Additional Property subsequently subjected to this Declaration), as the original Owners of their respective Parcels, hereby covenant, and each Owner of any Parcel, by acceptance of a deed or other instrument or conveyance therefor, shall covenant and be deemed to covenant to pay or secure the payment of the Community Development Charge applicable to the Owner's Chargeable Parcel to the Community Authority as provided in this Article IV and in Articles V and VI hereof. The Developers and each Owner agree that every transfer agreement for a Parcel entered into after this Declaration is Recorded shall, in compliance with Section 349.07 of the Ohio Revised Code, specifically refer to the Community Development Charge and identify the instrument number in the deed records in which this Declaration is Recorded.

4.02. Purpose of Community Development Charge. The Community Development Charge is established for the benefit and use of the Community Authority to cover all or part of the cost of Land Acquisition, the development, construction, operation and maintenance of land, Land Development and Community Facilities, the debt service therefor and any other cost incurred by the Community Authority in the exercise of its powers pursuant to Chapter 349 (including, without limitation, the reimbursement of loans, advances or expenditures made to or by the Developer for such purposes) and shall not be used for any other purpose.

4.03. Creation of Lien and Personal Obligation of Community Development Charge, Community Fee and Utility Access/Community Fee. The Community Development Charge shall be a charge and lien on each Chargeable Parcel and shall also be the personal obligation of the Owner of each Chargeable Parcel, all to the extent and for the period provided in Articles V and VI hereof. The Community Fee and Utility Access/Community Fee shall be a charge and lien on each Development Parcel, and each shall also be the personal obligation of the Owner of each Development Parcel, all to the extent and for the period provided in Articles IX and X hereof.

4.04. Enforcement of Lien and Collection of Community Development Charge, Community Fee and Utility Access/Community Fee. Any lien established under this Declaration may be enforced by the Community Authority in the same manner and to the same extent (including appointment of a receiver, foreclosure sale and, where appropriate, deficiency judgment) and subject to the same procedures as in the case of foreclosure of a real property

mortgage under the laws of the State of Ohio and personally against each Owner to the extent authorized under Sections 5.06, 6.17, 9.01 and 10.01. In any such enforcement proceeding, the amount that may be recovered by the Community Authority shall include all costs of such proceeding, including reasonable attorneys' fees. In any foreclosure sale, the Community Authority may become the purchaser.

The Community Authority may also cause the collection of any Community Development Charge by certifying that Community Development Charge to the Auditor for collection on the tax duplicate.

No remedy conferred upon or reserved to the Community Authority by this Declaration is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Community Authority or now or hereafter existing.

## ARTICLE V

### ASSESSED VALUATION CHARGE

5.01. Establishment of Assessed Valuation Charge. There is hereby established for the benefit of the Community Authority, as a charge on each Chargeable Parcel, an annual Community Development Charge based upon the Assessed Valuation of such Chargeable Parcel (the "Assessed Valuation Charge"), which may be expressed as a number of mills (one mill equals 1/10 of 1%), as determined in accordance with Section 5.02 hereof, multiplied by each dollar of the Assessed Valuation thereof. Such Assessed Valuation Charge shall be paid to the Community Authority by the Owner of each such Chargeable Parcel in the manner provided in this Article V.

5.02. Amount of Assessed Valuation Charge. Subject to waiver, reduction, increase or termination of the Assessed Valuation Charge as provided in Sections 7.03 and 7.04 hereof, the amount of the annual Assessed Valuation Charge for each Chargeable Parcel shall be the product of (i) the Assessed Valuation for such Chargeable Parcel, multiplied by (ii) .0095 (i.e., 9.5 mills).

5.03. Payment. The annual Assessed Valuation Charge for each Chargeable Parcel shall be due and payable on the date or dates determined by the Board, provided that the Assessed Valuation Charge may not be collected more than semiannually. However, if Chapter 349 shall hereafter be amended to allow the payment of the Assessed Valuation Charge at more frequent intervals, the Board shall have the power to increase the frequency of such installments accordingly. If the Board determines to certify the annual Assessed Valuation Charge for a Chargeable Parcel to the Auditor for collection on the tax duplicate pursuant to Section 4.04 hereof for any year, the entire Assessed Valuation Charge for that Chargeable Parcel will be deemed due for purposes of Section 349.07 of the Ohio Revised Code on August 1 of the preceding year; provided that, if permitted by law, the Board may provide for or require such payment to be due on other dates so as to permit the certification of the Assessed Valuation Charge not paid when due to the Auditor and provided, further, that the Community Authority

shall not be entitled to pursue the enforcement of payment of a Assessed Valuation Charge certified to the Auditor unless that Assessed Valuation Charge has not been paid on or before the dates for payment of real property taxes prescribed by Chapter 323 of the Ohio Revised Code. No Owner shall be required to prepay any installment to the Community Authority, but nothing herein shall preclude any Owner from agreeing with the Community Authority to prepay all or any part of the semiannual installments on a monthly or other basis.

Notwithstanding the foregoing, (i) the Community Authority may enter into an agreement with any mortgage lender for the escrowing of Assessed Valuation Charge installments with such lender with respect to any Chargeable Parcel and for the periodic payment of the escrowed installments to the Community Authority, and (ii) so long as such agreement continues, the Owner of any Chargeable Parcel on which such lender holds a mortgage shall, if such Owner so consents, pay the Assessed Valuation Charge installments with respect thereto directly to the lender; provided, however, that the obligation to pay the Assessed Valuation Charge shall remain that of the Owner and is not satisfied until and unless full payment of the Assessed Valuation Charge is received by the Community Authority.

5.04. Penalty and Interest. For each Chargeable Parcel for which any installment of the Assessed Valuation Charge: (i) is not paid on or before the due date or dates established by the Board pursuant to Section 5.03 hereof, or (ii) if such Assessed Valuation Charge was certified to the Auditor for collection on the tax duplicate pursuant to Section 4.04 hereof and is not paid on or before the dates for payment of real property taxes prescribed by Chapter 323 of the Ohio Revised Code, there shall be added to the installment (a) a penalty of ten percent (10%) thereof (imposed at the same time that penalties for delinquent real property taxes are imposed pursuant to Chapter 323 of the Ohio Revised Code), provided that if the penalty under Ohio law for late payment or non-payment of real property taxes is increased or decreased, the Board may instead impose that greater or lesser penalty, (b) interest (imposed at the same time that interest on delinquent real property taxes is imposed pursuant to Chapter 323 of the Ohio Revised Code) on the sum of (A) the amount of such installment, (B) the interest that has accrued thereon for more than six months, and (C) the penalty until paid at the greater of (1) the Late Payment Rate or (2) ten percent (10%) per year (or the maximum rate permitted under Ohio's usury laws, whichever is lower), provided that if the rate of interest imposed under Ohio law for late payment or non-payment of real property taxes is increased or decreased, the Board may instead impose that greater or lesser rate, and (c) any costs of the Community Authority incurred in connection with the enforcement of the Assessed Valuation Charge or any penalties, interests or costs thereon, including reasonable attorneys' fees. Any payments of less than the full amount shall be credited first against the penalty, second against the interest accrued to the date of payment and third to the balance due. The applicable penalties, interest and costs are part of the Assessed Valuation Charge. To the extent any of such penalties, interest and costs owing with respect to a Assessed Valuation Charge certified to the Auditor are not collected by the Auditor or otherwise collected by the Community Authority, such amounts shall be added to the amount of the Assessed Valuation Charge imposed with respect to such Chargeable Parcel in the following year. Notwithstanding anything contained herein to the contrary, no Owner shall be permitted to enter into an agreement pursuant to Section 323.31 of the Ohio Revised Code with respect to a

delinquent Assessed Valuation Charge without the prior written consent of the Community Authority.

5.05. Refund and Reduced Assessed Valuation. If the official assessed valuation of any Chargeable Parcel (by which the Assessed Valuation thereof is determined pursuant to Section 2.03 hereof) is reduced for any year pursuant to Sections 5715.11 through 5715.16 of the Ohio Revised Code, upon application of the Owner to the Board the Assessed Valuation shall be reduced in the same amount, and the Assessed Valuation Charge for such year shall be proportionately reduced. If any installment of such Assessed Valuation Charge has been paid before the date of such reduction, the sole procedure for refund is that the Board shall credit the same against any other amounts due or to become due to the Community Authority with respect to the Chargeable Parcel.

5.06. Personal Obligation. Each Owner shall only be and remain personally obligated for the payment of the Assessed Valuation Charge with respect to that Owner's Chargeable Parcel, including any penalties and interest thereon and costs of collection as provided herein, which is attributable to that Owner's period of ownership.

5.07. Assessed Valuation Charge Lien. The Assessed Valuation Charge with respect to each Chargeable Parcel, including any penalty and interest thereon, shall constitute a continuing lien in favor of the Community Authority on such Chargeable Parcel. If an installment or any part of an installment of the Assessed Valuation Charge on any Chargeable Parcel is not paid within the period provided in Section 5.03 hereof, the lien with respect to such delinquent installment or part thereof shall be enforceable in any manner provided in Section 4.04 hereof. Such lien shall be prior to all other liens and encumbrances thereon whatsoever, excepting real estate taxes and assessments and liens of the United States of America, the State of Ohio, and all other political subdivisions or governmental instrumentalities of the State of Ohio to the extent made superior by applicable laws enacted by the Ohio General Assembly.

5.08. Evidence of Payment. Upon the request of the Owner or any mortgagee or lessee of any Chargeable Parcel or any prospective purchaser, mortgagee or lessee thereof, the Board shall furnish written evidence of the amount of the Assessed Valuation Charge with respect thereto for the current year and the amount of any unpaid Assessed Valuation Charge, including any penalty and interest for the current or any previous year. Absent the existence of any Recorded evidence of unpaid Assessed Valuation Charges, such statement by the Board may be conclusively relied upon by any such party and by anyone furnishing any title evidence or opinion with respect to such Chargeable Parcel.

ARTICLE VI  
INCOME CHARGE

6.01. Establishment of Income Charge. There may be established, for the benefit of the Community Authority as a charge on each Chargeable Parcel, an annual Income Charge upon the Income of all Residents of such Chargeable Parcel in the maximum amount of two percent (2%) of that annual Income of those Residents. On and after the date that the Initial Private Developer is no longer entitled under Chapter 349 of the Ohio Revised Code and the Petition to appoint any members of the Board, the Board may implement up to one percent (1%) of the Income Charge by the affirmative vote of at least four (4) of the seven (7) Board members at any Fiscal Meeting; any Income Charge in excess of one percent (1%) may only be implemented by (a) the affirmative vote of at least four (4) of the seven (7) Board members at any Fiscal Meeting and (b) as specified in the Board resolution approving the Income Charge in excess of one percent (1%), either (i) the written consent of not less than a majority of the number of Owners of all Parcels replying to the Authority's solicitation for consent to the increased Income Charge, or (ii) the approval of a majority of electors with a Place of Residence in the New Community District and voting on the question at an election. The Board may, by resolution, approve credits against or exemptions from the Income Charge to the same extent an Ohio municipality may provide credits against or exemptions from an income tax it levies.

6.02. Income Charge with Respect to Fiscal Year Taxpayers. If, pursuant to Article VII hereof, the percentage stated in Section 6.01 hereof is reduced with respect to any calendar year, the percentage to be used in determining an Income Charge or any portion thereof attributable to the Income of a Resident who is on a fiscal year basis for federal income tax purposes shall be the sum of (i) the percentage applicable to such calendar year multiplied by a fraction, the denominator of which is 12 and the numerator of which is the number of months from the beginning of the applicable Income Charge Year through December of such calendar year, and (ii) the percentage applicable to the following calendar year multiplied by a fraction, the denominator of which is 12 and the numerator of which is the number of months from the beginning of such following calendar year to the end of the applicable Income Charge Year.

6.03. Proration of Income Charge. If, in any Income Charge Year, a Resident is a Resident for less than the full year, the Income Charge, or any portion thereof attributable to the Income of such Resident for such year, shall be determined by multiplying the Income Charge or respective portion thereof, which would have been payable if the Resident had been a Resident for the full year, by a fraction the denominator of which shall be the number of days in such year during which the Resident was alive, with respect to any Resident who is a natural person, or was in existence, with respect to any other Resident, and the numerator of which shall be the number of days in such year that the Resident was a Resident. If such proration does not reasonably reflect that portion of the Resident's income which was received while the Resident was a Resident, the Board may, upon the written request of the Resident or the Owner of the Chargeable Parcel to which the Income Charge relates and the presentation of supporting proof satisfactory to it, prorate the Income Charge or respective portion thereof attributable to the Income of such Resident in such other manner as may be equitable.

6.04. Income Charge Estimate. Annually, each Resident who has received or expects to receive Income in his current Income Charge Year shall file with the Community Authority an Income Charge estimate, on a form provided by it, estimating the amount of Income Charge payable by such Resident in such year. If married Residents file a joint return for federal income tax purposes, they may file a joint Income Charge estimate. Except as otherwise provided in Section 6.05 hereof, the Income Charge estimate shall be filed on or before July 15 of each year, or in the case of a Resident whose Income Charge Year is a fiscal year, the estimate shall be filed on or before the fifteenth day of the seventh month of his Income Charge Year.

6.05. Partial Year Estimate. Each Resident who becomes a Resident within the first six months of any Income Charge Year shall file with the Community Authority his Income Charge estimate for such year on or before July 15 thereof. Each Resident who becomes a Resident within the last six months of any Income Charge Year shall file with the Community Authority his Income Charge estimate for such year on or before January 15 of the following Income Charge Year. In the case of a Resident whose Income Charge Year is a fiscal year, the dates July 15 and January 15 in the two preceding sentences shall be the fifteenth day of, respectively, the seventh month of his Income Charge Year and the first month after the end of such Income Charge Year.

6.06. Income Charge Return. Annually, commencing in the year following the year in which he becomes a Resident, each Resident shall file with the Community Authority an Income Charge return, on a form provided by it, stating the amount of the Resident's Income for the preceding year and the amount of Income Charge payable with respect thereto. Spouses who file a joint return for federal income tax purposes may file a joint Income Charge return.

Each Resident who is an Owner or Tenant shall, to the best of his knowledge, list on his return the name of each Tenant of such Resident during such year and the address or other identification of the Place of Residence or Place of Business leased by each such named Tenant.

Each Income Charge return shall be signed by the Resident or Residents filing the same. The Income Charge return with respect to any Income Charge Year shall be filed on or before April 15 of the following year, or in the case of a Resident whose Income Charge Year is a fiscal year, the Income Charge return or the information return with respect to any Income Charge Year shall be filed on or before the fifteenth day of the fourth month after the end of such Income Charge Year. The Board shall have the power to change the date of filing of such Income Charge returns and information returns.

6.07. Payment. One-half of the estimated Income Charge for each Income Charge Year shall be paid when the estimate for such year is filed, but in no event later than the date by which such estimate is required to be filed, and the balance of the estimated Income Charge shall be paid on or before six months after the date by which the estimate is required to be filed, except that in the case of a Resident who becomes a Resident in the last six months of any Income Charge Year, all of the estimated Income Charge shall be paid when the estimate for such year is

filed, but in no event later than the date by which such estimate is required to be filed. If the total payments made pursuant to the Income Charge estimate for any Income Charge Year are less than the Income Charge due for such year, as shown by the Income Charge return therefor, the difference shall be paid on or before the date by which the return is required to be filed. If such total payments exceed the Income Charge due, as shown by the return, the difference shall be applied as a credit against the Income Charge for the following Income Charge Year or, if a Resident certifies that his Income Charge for the following year will be less than the amount of the difference, the difference less the amount of his expected Income Charge for the following year shall be refunded to him promptly by the Community Authority. No Resident shall be required to prepay any installment to the Community Authority, but nothing herein shall preclude any Resident from agreeing with the Community Authority to prepay all or any part of the semiannual installments on a monthly or other basis. If Chapter 349 shall hereafter be amended to allow the payment of the Community Development Charge at more frequent intervals, the Board shall have the power to increase the frequency of such installments accordingly.

Notwithstanding the foregoing, (i) the Community Authority may enter into an agreement with any mortgage lender for the escrowing of Income Charge installments with such lender with respect to any Chargeable Parcel and for the periodic payment of the escrowed installments to the Community Authority, and (ii) so long as such agreement continues, the Owner of any Chargeable Parcel on which such lender holds a mortgage shall, if such Owner so consents, pay the Income Charge installments with respect thereto directly to the lender.

6.08. Penalty and Interest. If any installment of an Income Charge is not paid by the date provided in Section 6.07 hereof for the payment thereof, there shall be added to the installment as of the due date of such installment (i) a penalty of ten percent (10%) thereof, provided that if the penalty under Ohio law for late payment or non-payment of real property taxes is increased or decreased, the Board may instead impose that greater or lesser penalty, plus (ii) interest on the sum of (1) the amount of such installment, (2) the interest that has accrued thereon for more than six months, and (3) the penalty until paid at the greater of (A) the Late Payment Rate or (B) ten percent (10%) per year (or the maximum rate permitted under Ohio's usury laws, whichever is lower), provided that if the rate of interest imposed under Ohio law for late payment or non-payment of real property taxes is increased or decreased, the Board may instead impose that greater or lesser rate, and (iii) any costs of the Community Authority incurred in connection with the enforcement of the Income Charge or any penalties, interests or costs thereon, including reasonable attorneys' fees. Any payments of less than the full amount shall be credited first against the penalty, second against the interest accrued to the date of payment and third to the balance due. The applicable penalties, interest and costs are part of the Income Charge. To the extent any of such penalties, interest and costs owing with respect to an Income Charge certified to the Auditor are not collected by the Auditor or otherwise collected by the Community Authority, such amounts shall be added to the amount of the Income Charge imposed with respect to such Chargeable Parcel in the following year. Notwithstanding anything contained herein to the contrary, no Owner shall be permitted to enter into an agreement pursuant

to Section 323.31 of the Ohio Revised Code with respect to a delinquent Income Charge without the prior written consent of the Community Authority.

If the amount of Income Charge owed by a Resident in any Income Charge Year exceeds by more than twenty percent (20%) the figure listed on such Resident's Income Charge estimate for such year, there shall be added to the Income Charge a penalty of ten percent (10%) per annum on the difference between the Income Charge owed and one hundred and twenty percent (120%) of the figure listed on the estimate, plus interest at the greater of (A) the Late Payment Rate or (B) ten percent (10%) per year (or the maximum rate permitted under Ohio's usury laws, whichever is lower) on the sum of such difference and penalty. The interest shall be measured as to each installment of such Income Charge from the date on which such installment became due to the date of payment of such difference, penalty and interest. Notwithstanding the foregoing, such penalty and interest shall not be added if, in good faith, a Resident bases his Income Charge estimate upon his Income for the preceding Income Charge Year.

6.09. Income Charge Lien. The Income Charge established by Section 6.01 hereof, with respect to each Chargeable Parcel, together with any penalty and interest thereon, shall constitute a continuing lien in favor of the Community Authority on such Chargeable Parcel. If an installment of the Income Charge on any Chargeable Parcel is not paid within the period provided in Section 6.07 hereof, the lien with respect to such delinquent installment shall be enforceable in the manner provided in Section 4.04 hereof. Such lien shall be prior to all other liens and encumbrances, whenever perfected, on such Chargeable Parcel except real estate taxes and assessments and liens of the United States of America, the State of Ohio and all other political subdivisions or governmental instrumentalities of the State of Ohio to the extent made superior by applicable law. Such lien shall continue until paid or released as provided in this Article VI.

If a Resident who is required to file an estimate or a return hereunder fails to do so, or if the Community Authority has reason to believe that the amount of Income Charge is understated in any estimate or return, the Community Authority shall, for the purpose of bringing action to collect the Income Charge owed or for the purpose of releasing the lien, have the right to estimate the amount of Income Charge owed or, for the purpose of releasing the lien, have the right to estimate by any reasonable means the amount of Income Charge payable by any Resident.

6.10. Release of Lien in Event of Sale or Mortgage. In the event of sale or mortgaging of any Chargeable Parcel by the Owner, the Board shall have the authority to release the lien thereon attributable to the Income Charge for the current Income Charge Year. Such release shall be given only if such Owner (i) signs, causes his spouse (if any) to sign, and delivers to the Community Authority a written commitment form similar in form to the Income Charge commitment form provided in Section 6.11 hereof, (ii) causes each Resident of his Chargeable Parcel to sign and deliver to the Community Authority an Income Charge commitment form pursuant to Section 6.11 hereof, (iii) causes each Tenant of his Chargeable Parcel to sign and deliver to the Community Authority a Tenant's Income Charge commitment form as described in

Section 6.14 hereof, and (iv) as to that portion of the Income Charge for which he and his spouse are personally obligated, makes such payments into an escrow account as the Board may reasonably require. Such release of lien shall not impair the personal obligation of such Owner to the Community Authority as provided in Section 6.17 hereof.

6.11. Release of Lien for Owners Without Tenants. To the extent that any portion of any Income Charge lien on a Chargeable Parcel is attributable to the Income of a Resident thereof (other than the Owner) who is not a Tenant, the Owner may obtain a release of such portion of the lien, by delivering to the Community Authority an Income Charge commitment form signed by such Resident. By such form, such Resident shall (i) personally obligate himself to the Community Authority (a) to pay to the Community Authority that portion of all Income Charges attributable to his Income, together with any penalty and interest thereon, (b) to file all Income Charge estimates and returns required to be filed by a Resident, and (c) to exhibit to the Community Authority such records and other evidence including in particular cases pertinent portions of applicable federal or state income tax returns as it may reasonably request solely to verify the information contained in any such Income Charge return, and (ii) appoint and designate the secretary of the Board as his agent for the service of process in any action brought by the Community Authority to enforce or collect the payment of any Income Charge payable by such Resident; provided, however, that such appointment and designation shall become effective only if such Resident has ceased to be a Resident, conceals his whereabouts, or otherwise makes it impossible for the Community Authority to personally serve process upon such Resident on the Property. The Board shall prescribe the Income Charge commitment form and may revise that form from time to time in accordance with the requirements of this Section.

6.12. Release of Lien for Owners with Tenants. To the extent that any portion of an Income Charge lien on a Chargeable Parcel is attributable to the Income of a Tenant thereof under a written lease or a tenancy at will or sufferance subsequent to the term of such written lease, the Owner may obtain a release of such portion of the lien by:

- (a) including in the lease those lease provisions required by Section 6.13 hereof; and
- (b) delivering to the Community Authority a Tenant's Income Charge commitment form as described in Section 6.14 hereof, signed by such Tenant.

Upon written request of the Community Authority, an Owner shall deliver an executed or certified copy of any lease for any portion of a Chargeable Parcel to the Community Authority.

To the extent that any portion of an Income Charge lien on a Chargeable Parcel is attributable to the Income of a Tenant under an oral lease or a tenancy at will or sufferance subsequent to the term of such oral lease, the Owner thereof may obtain a release of such portion of the lien by:

- (a) certifying to the Community Authority the name of each Tenant on the Chargeable Parcel, the rent payable by each such Tenant, the date on which each such Tenant became a Tenant, and each such Tenant's place of employment; and
- (b) delivering to the Community Authority a Tenant's Income Charge commitment form as described in Section 6.14 hereof, signed by the Tenant with respect to whose Income the release is to be obtained.

6.13. Required Lease Provisions. Each Owner shall include in every lease of his Chargeable Parcel or any part thereof for the benefit of the Community Authority as a third-party beneficiary the following covenants and provisions:

- (a) The Tenant hereby personally obligates himself to the Community Authority (i) to pay to the Community Authority that portion of all Income Charges attributable to his Income, together with any penalty or interest thereon, (ii) to guarantee the payment to the Community Authority of that portion of all Income Charges attributable to the Income of all other Residents of the property leased by such Tenant, together with any penalty and interest thereon, (iii) to file all Income Charge estimates and returns required to be filed by a Resident under this Declaration, and (iv) to exhibit to the Community Authority such records and other evidence including in particular cases pertinent portions of applicable federal or state income tax returns as it may reasonably request solely to verify the information contained in any such Income Charge return.
- (b) The Tenant shall, concurrently herewith, execute and deliver to the Community Authority the Tenant's Income Charge commitment form described in Section 6.14.
- (c) The Tenant hereby appoints and designates the Secretary of the Board as his agent for the service of process in any action brought by the Community Authority to enforce or collect the payment of any portion of an Income Charge payable by the Tenant pursuant to paragraph (a) above, together with any penalty and interest thereon; provided, however, that such appointment and designation shall become effective only if the Tenant has ceased to be a Resident, conceals his whereabouts, or otherwise makes it impossible for the Community Authority to personally serve process upon such Tenant on the Property.
- (d) The Tenant shall impose the same covenants and provisions contained in paragraphs (a), (b) and (c) above in every sublease and assignment of his leasehold interest and shall require that the same be imposed in every further sublease and assignment.

- (e) The words Community Authority, Declaration, Income Charge, Residents, Secretary of the Board and Tenant shall have the same meaning as defined in Article II of the Declaration of Covenants, Restrictions and Agreements for Jerome Village Community Authority in the County of Union, Ohio.

6.14. Tenant's Income Charge Commitment Form. By executing the Tenant's Income Charge commitment form, the Tenant shall (i) personally obligate himself to the Community Authority (a) to pay to the Community Authority that portion of Income Charges attributable to his Income, together with any penalty and interest thereon, (b) to guarantee the payment to the Community Authority of that portion of all Income Charges attributable to the Income of all other Residents of the property leased by such Tenant, together with any penalty and interest thereon, (c) to file all Income Charge estimates and returns required to be filed by a Resident, (d) to exhibit to the Community Authority such records and other evidence including in particular cases pertinent portions of applicable federal or state income tax returns as it may reasonably request solely to verify the information contained in any such Income Charge return, and (e) to impose the same covenants and provisions as contained in this Section in every sublease and assignment of his leasehold interest and to require that the same be imposed in every further sublease and Assignment, and (ii) appoint and designate the Secretary of the Board as his agent for the service of process in any action brought by the Community Authority to enforce or collect the payment of that portion of any Income Charge, together with any penalty and interest thereon, for which the Tenant is liable; provided, however, that such appointment and designation shall become effective only if the Tenant has ceased to be a Resident, conceals his whereabouts, or otherwise makes it impossible for the Community Authority to personally serve process upon such Tenant on the Property. The Board shall prescribe the Tenant's Income Charge commitment form and may revise that form from time to time in accordance with the requirements of this Section.

6.15. Release of Tenant from Guarantee. Any Tenant shall be released from his guarantee under Sections 6.13 and 6.14 hereof with respect to that portion of all Income Charges attributable to the Income of any other Resident of the property leased by such Tenant, except a subtenant of the Tenant or an assignee of the Tenant's leasehold interest, by delivering to the Community Authority an Income Charge commitment form as described in Section 6.11 hereof signed by such other Resident. Any Tenant shall be released from his guarantee under Sections 6.13 and 6.14 hereof with respect to that portion of all Income Charges attributable to the Income of a subtenant or an assignee of the Tenant's interest and all persons and entities claiming under either of them by delivering to the Community Authority a Tenant's Income Charge commitment form as described in Section 6.14 hereof signed by such subtenant or assignee.

6.16. Records and Other Evidence; Service of Process. Each Owner of any Chargeable Parcel, by the acceptance of a deed therefor, (i) personally obligates himself to exhibit to the Community Authority such records and other evidence including in particular cases pertinent portions of applicable federal or state income tax returns as it may reasonably request solely to verify the information contained in any Income Charge return required to be filed by the Owner

hereunder, and (ii) appoints and designates the Secretary of the Board as his agent for the service of process in any action brought by the Community Authority to enforce or collect the payment of any Income Charge payable by such Owner; provided, however, that such appointment and designation shall become effective only if the Owner is not a Resident or, having become a Resident, has ceased to be a Resident, conceals his whereabouts, or otherwise makes it impossible for the Community Authority to personally serve process upon such Owner on the Property.

6.17. Personal Obligation. Each Owner shall be and remain personally obligated for the payment of that portion of all Income Charges with respect to his Chargeable Parcel, together with penalty and interest thereon and costs of collection as provided herein, which is attributable to his Income. Each Owner shall be and remain obligated for the payment of that portion of all Income Charges with respect to his Chargeable Parcel, together with penalty and interest thereon, which is attributable to the Income of all other Residents thereof, but the Community Authority shall enforce collection of such portion only in accordance with Section 4.04 hereof, and an Owner shall be relieved of his obligation with respect to such portion attributable to the Income of such other Residents who have executed a commitment form pursuant to this Article VI.

6.18. Estimates and Returns. All estimates, returns and other documents described in or required by this Article VI shall be in such form as may be prescribed by the Board. The failure of any Resident to receive or procure an estimate, return, declaration or other required form shall not excuse him from filing such form or from paying his Income Charge.

All information contained in any estimate, return or other document or otherwise obtained by the Board pursuant to this Article VI shall be treated in a confidential manner and, except pursuant to subpoena or as may be necessary in connection with any action for the collection of any Income Charge or the enforcement of any lien relating thereto, no such information with respect to any Income Charge shall be disclosed. Nothing contained in this Section shall be deemed to preclude disclosure on a statistical or other basis not permitting identification of such information with particular persons or entities.

6.19. Evidence Regarding Liens. The Community Authority shall promptly furnish each Owner written acknowledgment of receipt of any commitment form relating to his parcel furnished to it pursuant to Section 6.11 and 6.12 hereof. The Community Authority shall also promptly furnish each Tenant written acknowledgement of receipt of any commitment form relating to his guarantee furnished to it pursuant to Section 6.15 hereof. Such acknowledgments shall constitute conclusive evidence of the release of the portion of the lien or guarantee attributable to the Resident or Tenant signing such commitment form.

Upon the request of the Owner or any mortgagee or lessee of any Chargeable Parcel or any prospective purchaser, mortgagee or lessee thereof, the Board shall furnish written evidence of the existence or absence of Income Charge liens and, to the extent known on the basis of available data, the amount thereof. Absent the existence of any Recorded evidence of unpaid

Income Charge liens, such statement by the Board may be conclusively relied upon by any such party and by anyone furnishing any title evidence or opinion with respect to such Chargeable Parcel.

6.20. Income Tax Administrator. The Community Authority may appoint an Income Charge Administrator and designate others as agents to carry out its duties pursuant to this Article VI.

## ARTICLE VII

### PROCEDURE FOR WAIVER, REDUCTION, INCREASE OR TERMINATION OF THE COMMUNITY DEVELOPMENT CHARGE

7.01. Fiscal Meeting. Annually, the Board shall hold a Fiscal Meeting to determine whether any of the Community Development Charge should be waived, reduced, increased (but only as hereafter provided) or terminated. The Fiscal Meeting shall be held on such date as the Board shall determine. The Fiscal Meeting shall be open to the public, and the Board shall take no action to waive, reduce, increase or terminate the Community Development Charge except at a Fiscal Meeting.

7.02. Notice of Fiscal Meeting. Notice of the Fiscal Meeting shall be given by the Board in compliance with Section 121.22 of the Ohio Revised Code. Such notice shall specify the place, date and hour of the Fiscal Meeting and state that it is the Fiscal Meeting required by this Article VII.

7.03. Waiver, Reduction, Increase or Termination. At any Fiscal Meeting, the Board may waive, reduce, increase or terminate all or a portion of the Community Development Charge for one or more years or to a stated date or adjust the method by which the Income Charge is calculated in a manner that reduces the Income Charge for all Residents. The reduction or waiver of a portion of the Community Development Charge authorized by this Section may include but is not limited to an additional reduction or waiver, separate and distinct from any other reduction or waiver, for the early payment of the Community Development Charge by an Owner. Notwithstanding any other provision of this Declaration, no waiver, reduction or termination of the Community Development Charge shall be effective if it is inconsistent with the express obligations of the Community Authority under the terms of any outstanding Community Authority agreement, bonds, notes or loans authorized by the Community Authority under Chapter 349.

At any Fiscal Meeting held on and after the date that the Initial Private Developer is no longer entitled under Chapter 349 of the Ohio Revised Code and the Petition to appoint any members of the Board, the Board may increase the Community Development Charge or adjust the method by which the Income Charge is calculated in a manner that increases the Income Charge for any Resident by the affirmative vote of at least six (6) of the seven (7) Board members.

Except as otherwise provided in this Declaration: (i) every action taken by the Board pursuant to this Article VII shall be governed by, and taken with reference to, the fiscal requirements of the Community Authority for the year for which the Community Development Charge is to be collected as reflected in the budget for that year adopted by the Board, which budget may provide for reasonable reserves and the development of funds for future uses and contingencies; and (ii) any action by the Board relating to the waiver, reduction or termination of any of the Community Development Charge shall be taken only after the Board has determined that the Community Development Charge to be waived, reduced or terminated is not needed for any of the purposes for which the Community Development Charge has been established as set forth in Section 4.02 hereof. Notwithstanding any other provision of this Declaration, if a Chargeable Parcel is removed from the New Community District pursuant to a supplemental Declaration, the Community Development Charge shall permanently terminate as to the Chargeable Parcel immediately on the date that such Chargeable Parcel has been removed from the New Community District; provided, however, that no Chargeable Parcel may be removed from the New Community District without the consent of the Initial Private Developer so long as it owns or controls any of the Property.

7.04. Discretion of the Board. Subject to the provisions of this Declaration and all applicable provisions of valid agreements of the Community Authority, the decision to waive, reduce, increase or terminate the Community Development Charge as provided herein shall otherwise be solely within the discretion of the Board.

## ARTICLE VIII

### COMMUNITY FACILITIES

8.01. Rights of Enjoyment in Community Facilities and Public Land Development. Each Owner shall have a right of use and enjoyment of the Community Facilities and Land Development within the New Community District that are of the type available for direct use by Owners, and such right shall be appurtenant to, and shall pass with the title of, the Owner's Parcel. Each Resident shall have a nontransferable privilege to use and enjoy the Community Facilities. Such rights and privileges, and any other use thereof, shall be subject, however, to the following:

(a) The right of the Board to issue Community Authority bonds or notes under Section 349.08 of the Ohio Revised Code, to take out loans under Section 349.06(J) of the Ohio Revised Code or to otherwise borrow for the purposes permitted under Chapter 349 and in aid thereof to mortgage or to otherwise encumber, and prescribe changes, conditions and requirements with respect to, the Community Facilities and Land Development.

(b) The right of the Board to adopt, modify and enforce, and from time to time to amend, reasonable rules and regulations pertaining to the use of the Community Facilities and Land Development, including, but not limited to, regulations requiring use

and regarding the mode of use and limiting the number of guests of Owners and Residents who may use the Community Facilities and Land Development.

(c) The right of the Board to establish and charge reasonable admission, use and other fees for the use or availability of any of the Community Facilities and Land Development, including the right of the Board to fix, alter, impose, collect and receive reasonable service and user fees, rentals and other charges (including deposits, penalties and interest). In establishing any such fee, the Board may establish reasonable classifications. Each fee must be uniform within each class but need not be uniform between classes.

(d) The right of the Board to suspend (i) for a reasonable period of time, the right of any Owner or the privilege of any Resident to use the Community Facilities or Land Development for any infraction of the rules and regulations relating to the Community Facilities or Land Development, and (ii) the right of any Owner and the privilege of each Resident claiming through such Owner to use the Community Facilities or Land Development for any period during which the Assessed Valuation Charge or Income Charge or any other Community Fee, Utility Access/Community Fee, user fees, rentals or other charges payable by such Owner or by the Resident remains unpaid and delinquent; provided that each such right of suspension shall not, in itself, prevent ingress to or egress from such Owner's or Resident's Place of Residence or Place of Business or threaten the life, safety or health of a Resident.

(e) Such rights as the Board may have to grant easements in or rights of way over Land Development or Community Facilities to any public utility corporation or public agency.

(f) Such rights as the Board may have to convey or lease all or any part of the Land Development or Community Facilities.

(g) All applicable provisions of valid agreements of the Community Authority relating to the Land Development or Community Facilities.

The foregoing rights of the Board stated in clauses (a) through (g) are hereby established as part of the authority of the Board and, through it, of the Community Authority and are in addition to any other authority they may exercise.

8.02. Subordination to Mortgage or Other Lien. The rights and privileges provided in this Article VIII shall be subordinate to any mortgage or other lien given by the Community Authority for the purposes of acquiring, improving or maintaining the Community Facilities or Land Development.

## ARTICLE IX

## COMMUNITY FEE

9.01. Community Fee Covenant. The Initial Private Developer and the Initial Owners hereby covenant, and each Owner (except as exempt in Section 9.04 hereof) of any Parcel within the initial boundaries of the New Community District, by acceptance of a deed or other instrument or conveyance therefor, shall covenant and be deemed to covenant to pay or secure the payment to the Community Authority of the Community Fee which is applicable to the Owner's Parcel as provided in this Article IX. Each Owner shall be and remain personally obligated for the payment of the Community Fee with respect to that Owner's Parcel, including any penalties and interest thereon and costs of collection as provided herein.

9.02. Purpose of Community Fee. The Community Fee is established and will be collected as a charge under Section 349.06(E) to cover costs in carrying out the New Community Development Program.

The Community Fee shall initially be allocated and paid to Jerome Township as a credit toward the Jerome Village General Township Contribution or the Jerome Village Fire Safety Contribution, in recognition of the increased costs incurred by Jerome Township and the increased need for fire and safety services to be provided by Jerome Township as a consequence of the development of the New Community District and as a condition of zoning, until the overall cap of \$7,650,000 on payments from all sources to the Jerome Village General Township Contribution and the Jerome Village Fire Safety Contribution is reached. Thereafter, all additional receipts from the Community Fee shall be allocated and paid to the Community Authority to assist in the financing of Community Facilities and other services provided by the Community Authority.

9.03. Amount and Collection of Community Fee. At the time a building permit is issued or eligible to be issued for any dwelling or commercial structure, the Owner of each Development Parcel within the initial boundaries of the New Community District shall pay to the Community Authority a one-time Community Fee as follows:

- (a) \$200 per single-family unit;
- (b) \$100 per multi-family unit;
- (c) \$0.25 per sq. ft. of commercial, industrial, warehouse, office or institutional space;

provided, that if a Development Parcel is further subdivided after payment of the Community Fee for that Development Parcel, the resulting Parcel on which the dwelling or commercial structure for which the Community Fee was paid shall not be further subject to the Community Fee requirement, but each other resulting Parcel shall be subject to the payment of the Community Fee requirement. If any Community Fee is not paid by the date provided in this Section for the payment thereof, there shall be added to the Community Fee as of the due date of such fee (i) a penalty of ten percent (10%) thereof, plus (ii) interest on the sum of (1) the amount

of such fee, (2) the interest that has accrued thereon for more than six months, and (3) the penalty until paid at ten percent (10%) per year (or the maximum rate permitted under Ohio's usury laws, whichever is lower), and (iii) any costs of the Community Authority incurred in connection with the enforcement of the Community Fee or any penalties, interests or costs thereon, including reasonable attorneys' fees. Any payments of less than the full amount shall be credited first against the penalty, second against the interest accrued to the date of payment and third to the balance due. The applicable penalties, interest and costs are part of the Community Fee.

9.04. Exemption from Payment of Community Fee. The Community Fee will not be charged to governmental facilities (e.g., the Township, Township Fire Department, schools, library) or for public facilities such as the proposed Community Center and Recreation Center and Jerome Township Fire Station.

9.05. Adjustment to Community Fee. The Community Fee shall be subject to adjustment from time to time by the Initial Private Developer, so long as it owns or controls any of the Property, and thereafter by the Board, to account for inflation and increased costs. The determination of the amount of inflation and increased costs and the way in which such amount has been calculated, and any adjustment to the Community Fee by the Initial Private Developer or the Board, as applicable, shall be conclusive (absent manifest error) as to the amounts thereof.

## ARTICLE X

### UTILITY ACCESS/COMMUNITY FEE

10.01. Utility Access/Community Fee Covenant. Each Owner (except as exempt in Section 10.04 hereof) of a Parcel outside the initial boundaries of the New Community District that joins the Community Authority to access utilities shall covenant and be deemed to covenant to pay or secure the payment to the Community Authority of the Utility Access/Community Fee which is applicable to the Owner's Parcel as provided in this Article X. Any such Owner joining the Community Authority to access utilities must do so in accordance with the requirements of Article III hereof, and that Owner and Parcel will thereafter be subject to all Restrictions provided for in this Declaration, including, but not limited to, the obligation to pay the Community Development Charge. Each Owner shall be and remain personally obligated for the payment of the Utility Access/Community Fee with respect to that Owner's Parcel, including any penalties and interest thereon and costs of collection as provided herein.

10.02. Purpose of Utility Access/Community Fee. The Utility Access/Community Fee is established and will be collected as a charge under Section 349.06(E) to cover costs in carrying out the New Community Development Program.

The Utility Access/Community Fee shall initially be allocated and paid as follows:

- (a) 80% for the Community Authority to offset upfront infrastructure costs;

(b) 20% to Jerome Township as a credit toward the Jerome Village General Township Contribution or the Jerome Village Fire Safety Contribution.

There is an overall cap of \$7,650,000 on payments from all sources to the Jerome Village General Township Contribution and the Jerome Village Fire Safety Contribution. Once this cap is reached, all additional receipts constituting that portion of the Utility Access/Community Fee that would have been allocated and paid to the Jerome Village General Township Contribution or the Jerome Village Fire Safety Contribution shall thereafter be allocated and paid to the Community Authority to assist in the financing of Community Facilities and other services provided by the Community Authority.

10.03. Amount and Collection of Utility Access/Community Fee. At the time a building permit is issued or eligible to be issued for any dwelling or commercial structure, the Owner of each Parcel outside the initial boundaries of the New Community District that joins the Community Authority to access utilities shall pay to the Community Authority a one-time Utility Access/Community Fee as follows:

- (a) \$1,000 per single-family unit;
- (b) \$500 per multi-family unit;
- (c) \$0.50 per sq. ft. of commercial, industrial, warehouse, office or institutional space.

provided, that if a Parcel is further subdivided after payment of the Utility Access/Community Fee for that Parcel, the resulting Parcel on which the dwelling or commercial structure for which the Utility Access/Community Fee was paid shall not be further subject to the Utility Access/Community Fee requirement, but each other resulting Parcel shall be subject to the payment of the Utility Access/Community Fee requirement. If any Utility Access/Community Fee is not paid by the date provided in this Section for the payment thereof, there shall be added to the Utility Access/Community Fee as of the due date of such fee (i) a penalty of ten percent (10%) thereof, plus (ii) interest on the sum of (1) the amount of such fee, (2) the interest that has accrued thereon for more than six months, and (3) the penalty until paid at ten percent (10%) per year (or the maximum rate permitted under Ohio's usury laws, whichever is lower), and (iii) any costs of the Community Authority incurred in connection with the enforcement of the Utility Access/Community Fee or any penalties, interests or costs thereon, including reasonable attorneys' fees. Any payments of less than the full amount shall be credited first against the penalty, second against the interest accrued to the date of payment and third to the balance due. The applicable penalties, interest and costs are part of the Utility Access/Community Fee.

10.04. Exemption from Payment of Utility Access/Community Fee. The Utility Access/Community Fee will not be charged to governmental facilities (e.g., Jerome Township, Jerome Township Fire Department, schools, library) or for public facilities such as the proposed Community Center and Recreation Center and Jerome Township Fire Station.

10.05. Adjustment to Utility Access/Community Fee. The Utility Access/Community Fee shall be subject to adjustment from time to time by the Initial Private Developer, so long as it owns or controls any of the Property, and thereafter by the Board, to account for inflation and increased costs. The determination of the amount of inflation and increased costs and the way in which such amount has been calculated, and any adjustment to the Utility Access/Community Fee by the Initial Private Developer or the Board, as applicable, shall be conclusive (absent manifest error) as to the amounts thereof.

## ARTICLE XI

### DURATION, AMENDMENT AND TERMINATION

11.01. Effective Date. The Restrictions shall be effective and shall be, and be deemed, covenants running with the land when this Declaration is Recorded (the "Effective Date"). Subsequent to the Effective Date, no Community Development Charge, Community Fee or Utility Access/Community Fee shall be collected, and the Community Authority shall have no rights or obligations hereunder until the Community Authority executes and there is Recorded an instrument by which the Community Authority joins in this Declaration for the purposes of accepting the duties, responsibilities and benefits imposed and conferred on it by the Restrictions.

11.02. Duration and Effect. The Restrictions (i) shall be, and be construed as, covenants running with the land; (ii) shall be binding upon the Developers, the Community Authority and each Owner and Resident; and (iii) shall inure to the benefit of and be enforceable by (a) the Developers or the Community Authority (regardless of whether or not any such beneficiary owns an interest in any Parcel), (b) each Owner, and (c) any Resident. The Restrictions shall continue in full force and effect unless amended, stayed or terminated pursuant to Section 11.03 hereof.

11.03. Stay or Termination of Restrictions. The Restrictions shall terminate, if and effective as of the date when, there occurs a dissolution of the Community Authority pursuant to Chapter 349. Notwithstanding any other provision of this Declaration, no termination, stay or amendment of the Restrictions shall be effective to the extent it is inconsistent with the express obligations of the Community Authority under the terms of any outstanding Community Authority bonds, notes or loans authorized by the Community Authority under Chapter 349. Further, except as hereafter provided, no termination due to dissolution of the Community Authority pursuant to Chapter 349 shall be effective unless approved in writing by each Developer owning any of the Parcels or, if no Developer owns any Parcels, by a majority vote of Owners of all Parcels, with each Parcel receiving one vote, at the time of execution of such termination document. Notwithstanding any other provision of this Declaration, the Restrictions shall terminate and shall be null and void automatically as to any Chargeable Parcel if and on the date that such Chargeable Parcel is removed from the New Community District pursuant to an amendment to this Declaration; provided, however, that no Chargeable Parcel may be removed from the New Community District without the consent of the Initial Private Developer so long as it owns or controls any of the Property. No amendments to this Section shall be permitted without the written consent of 66% of the Owners at the time such amendment is proposed.

If a final judicial adjudication is rendered, or lawful executive or legislative action is taken by the government of the State of Ohio, which effectively enjoins or prevents the Community Authority from (i) implementing or collecting the Community Development Charge or (ii) carrying out any other substantial or important duty or responsibility imposed on it under this Declaration or receiving or accepting any other substantial or important benefit granted to it by this Declaration, the Community Authority and each Developer owning any of the Parcels shall, within thirty (30) days after the rendition of such adjudication or the taking of such action (or such longer period that they may agree upon), attempt to agree upon a course of action that will remedy any defect identified in such adjudication or created by such action. If within such thirty-day (or extended) period no course of action is agreed upon by the Community Authority and each Developer owning any of the Parcels, subject to any applicable restrictions pertaining to outstanding bonds, notes or loans authorized by the Community Authority under Chapter 349, the Restrictions shall be terminated on such date as shall be designated in a written declaration of termination by (i) each Developer for the portion of the Property being developed by such Developer if within the Development Period for such Property, or (ii) the Community Authority with respect to any portion of the Property as to which the Development Period has concluded.

If the Restrictions are required or permitted to be terminated or stayed pursuant to this Section, such termination or stay shall become effective when a certificate or other document stating the authority for such termination or stay and signed by the person or entity or entities empowered to effect such termination or stay is Recorded. If the Restrictions terminate, stay or resume automatically, a certificate or other document stating the authority for such termination, stay or resumption and the effective date thereof shall promptly be Recorded by (i) each Developer for the portion of the Property being Developed by such Developer if within the Development Period for such Property, or (ii) the Community Authority with respect to any portion of the Property as to which the Development Period has concluded.

All rights and obligations which had accrued under the Restrictions prior to the date of termination or stay shall survive such termination or stay, including, without limitation, all personal obligations and liens under this Declaration.

## ARTICLE XII

### AMENDMENTS AND SUPPLEMENTS

12.01. Amendments or Supplements Not Requiring Consent of Owners. Without the consent of or notice to any of the Owners, the Initial Private Developer (so long as it owns or controls any of the Property) or the Community Authority may amend or supplement this Declaration (i) to meet the requirements of institutional mortgagees, guarantors and insurers of first mortgage loans; (ii) to bring this Declaration into compliance with the requirements of Chapter 349, as amended from time to time; (iii) to cure any ambiguity, inconsistency or formal defect or omission or eliminate any typographical or other inadvertent error; (iv) to grant to or confer upon the Community Authority, for the benefit of the Owners, the Developers or the Community Authority, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, the Developers or the Community Authority; (v) to

make or accommodate adjustments in the manner or method for billing and collecting the Community Development Charge, the Community Fee or the Utility Access/Community Fee, or to reduce or eliminate the Community Development Charge, the Community Fee or the Utility Access/Community Fee; (vi) as provided in Article III hereof; (vii) to conform this Declaration to any amendment permitted by Section 349.03 of the Ohio Revised Code to the Petition filed pursuant to that Section to organize the Community Authority; (viii) to permit the Developers or the Community Authority to comply with any obligations imposed upon it by law; (ix) to specify further the duties and responsibilities of, and to define further the relationship among, the Owners, the Developers and the Community Authority; (x) to admit Additional Private Developers to this Declaration by supplemental Declaration under Article III hereof or otherwise; (xi) to remove one or more Parcels from the New Community District; or (x) to make any other amendment which, in the judgment of the Community Authority, is not to the material prejudice of the Owners; provided, however, that there shall be no amendment or supplement to this Declaration by the Community Authority without the consent of the Initial Private Developer so long as it owns or controls any of the Property.

12.02. Amendments or Supplements Requiring Consent of Owners. Except as provided in Sections 7.03, 11.03 or 12.01 hereof, no provision of this Declaration may be amended or supplemented, in whole or in part, or terminated without the written consent of (i) each Developer then owning any Parcels to be affected by the proposed amendment or supplement, (ii) not less than 66% of the number of Owners of all Parcels to be affected by the proposed amendment or supplement and as to which the Development Period has ended, and (iii) the Community Authority.

For the purposes of this Section only, all Owners of a Parcel shall be deemed to constitute one Owner and together shall only have one consent for the Parcel.

In connection with any bonds, notes or loans authorized by the Community Authority under Chapter 349, the Community Authority may agree that no amendment may be made to this Declaration and no waiver, reduction or termination of the Community Development Charge may be made without the consent of or on behalf of the holders of such securities or without the consent of any provider of a "Credit facility" as defined in Section 9.98(G) of the Ohio Revised Code.

The Secretary shall determine (i) whether the Owners have consented to any amendment or supplement of this Declaration and (ii) whether, if their consent is necessary, the Developers or the holders of any outstanding Community Authority bonds, notes or loans issued under Chapter 349 or provider of a "Credit facility" as defined in Section 9.98(G) of the Ohio Revised Code have consented to any such amendment or supplement of this Declaration. Such determinations of the Secretary shall be conclusive against all Owners.

12.03. Recording of Amendments and Supplements. Promptly after any amendment or supplement of this Declaration, the Secretary shall cause to be Recorded a written instrument certified by the Secretary setting forth such amendment or supplement and stating that any required written consents were obtained.

## ARTICLE XIII

### MISCELLANEOUS

13.01. Priority. The Restrictions contained in this Declaration shall take priority over all other covenants, conditions, restrictions or easements applicable to any Parcel whatsoever, to the extent permitted by law and except as otherwise provided herein.

13.02. Reservation. Subject to this Declaration being recorded but prior to the New Community District being created pursuant to Chapter 349, the Developers may sell to purchasers (each, a "Purchaser" and collectively, the "Purchasers") lots or condominium interests which may comprise a part of the Property and be included as part of the New Community District (individually, a "Lot" or collectively, the "Lots"). Each Purchaser, and each Purchaser's successors and assigns, shall be deemed an Owner and shall take title to a Lot subject to this Declaration. In order to more fully provide for the inclusion of the Lots as part of the New Community District, the Developers hereby reserve to themselves and their successors and assigns a reservation in the Lots and a beneficial interest and control therein solely for the purpose of including the Lots as part of the New Community District. In consideration of the transfer of a Lot to a Purchaser, a Purchaser shall take title to a Lot subject to such reservation. In recognition of such reservation, and in order to more fully evidence such Developer's reservation, such Purchaser irrevocably constitutes and appoints such Developer as such Purchaser's true and lawful attorney-in-fact, coupled with an interest, in such Purchaser's name, place and stead for the limited purpose of taking, and delegates to such Developer the authority to take, all such action that is necessary and appropriate, in accordance with Chapter 349, to include such Purchaser's Lot within the New Community District. Acceptance by a Purchaser of a deed or other instrument of conveyance from a Developer or from any other Owner shall constitute appointment of the attorney-in-fact as provided herein. The reservation and appointment reserved and granted hereby shall automatically terminate on the date on which a Purchaser's Lot, in accordance with Chapter 349, is accepted and established as part of the New Community District. The durable power of attorney is coupled with an interest and shall not be affected by the death or disability of the Purchaser.

13.03. No Reverter. No covenant, condition, restriction or reservation contained in this Declaration is intended to create, or shall be construed as creating, a possibility of reverter or, except as provided in Sections 5.01, 6.01 and 11.01 hereof, a condition subsequent.

13.04. Severability. In case any section or provision of this Declaration, or any Restriction, agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Declaration or a Restriction, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder of this Declaration or any other section or provision of this Declaration or any other Restriction, agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Declaration, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein. Any illegality, invalidity or inoperability shall not affect any legal, valid and

operable section, provision, restriction, agreement, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into, done or taken in the manner and to the full extent permitted by law from time to time.

13.05. Construction. The Board, where specifically authorized herein to act, shall have the right to construe the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such construction shall be final and binding as to all persons and entities benefited or bound by the provisions of this Declaration.

13.06. Headings. The headings of the Articles and Sections are for convenience only and shall not affect the meaning or construction of the contents of this Declaration.

13.07. Interpretation and References. Any reference in this Declaration to a section or provision of the Ohio Revised Code or to the laws of the State of Ohio shall, unless otherwise provided herein, include that section or provision and those laws as from time to time amended, modified, revised, supplemented or superseded. However, no such amendment, modification, revision, supplementation or supersession, or further action by the General Assembly, shall alter the obligation to pay the Community Development Charge in the amount and manner and at the times provided in this Declaration or otherwise impair the application of the Restrictions, except to the extent that the Restrictions cannot be sustained by reason of such amendment, modification, revision, supplementation or supersession.

Unless the context otherwise indicates, the masculine gender shall be deemed to include the feminine and neuter, and the singular shall be deemed to include the plural and vice versa.

References in this Declaration to sections and articles, unless otherwise stated, are to sections and articles of this Declaration. The terms “hereof,” “herein,” “hereby,” “hereto” and “hereunder,” and similar terms, mean and refer to this Declaration.

[signature pages follow]

This document prepared by: Squire, Sanders & Dempsey L.L.P.  
2000 Huntington Center  
41 South High Street  
Columbus, Ohio 43215

IN WITNESS WHEREOF, Jerome Village Company, LLC, has caused this Declaration to be executed by its duly authorized representative as of the day and year first above written.

JEROME VILLAGE COMPANY, LLC,  
an Ohio limited liability company

By: Nationwide Realty Investors, Ltd., its  
member and manager

By: \_\_\_\_\_  
Brian J. Ellis, President and Chief  
Operating Officer

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by Brian J. Ellis, the President and Chief Operating Officer of Nationwide Realty Investors, Ltd, a member and the manager of JEROME VILLAGE COMPANY, LLC, on behalf of Jerome Village Company, LLC.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, Jerome United Methodist Church, Inc., has caused this Declaration to be executed by its duly authorized representative as of the day and year first above written.

JEROME UNITED METHODIST  
CHURCH, INC., as an Initial Owner

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by \_\_\_\_\_, the \_\_\_\_\_ of JEROME UNITED METHODIST CHURCH, INC., on behalf of Jerome United Methodist Church, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, J.A.S. Limited Partnership has caused this Declaration to be executed by its duly authorized representative as of the day and year first above written.

J.A.S. LIMITED PARTNERSHIP,  
as an Initial Owner

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by \_\_\_\_\_, the \_\_\_\_\_ of J.A.S. LIMITED PARTNERSHIP, on behalf of J.A.S. Limited Partnership.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, John R. Andrews, Trustee of the John R. Andrews Living Trust, has caused this Declaration to be executed as of the day and year first above written.

JOHN R. ANDREWS, Trustee of the John R. Andrews Living Trust, as an Initial Owner

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STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by JOHN R. ANDREWS, Trustee of the John R. Andrews Living Trust, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

IN WITNESS WHEREOF, George Edward Andrews and Rebecca J. Andrews have caused this Declaration to be executed as of the day and year first above written.

GEORGE EDWARD ANDREWS,  
as an Initial Owner

\_\_\_\_\_

REBECCA J. ANDREWS,  
as an Initial Owner

\_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by GEORGE EDWARD ANDREWS, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by REBECCA J. ANDREWS, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, William Henry Andrews has caused this Declaration to be executed as of the day and year first above written.

WILLIAM HENRY ANDREWS,  
as an Initial Owner

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STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by WILLIAM HENRY ANDREWS, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

IN WITNESS WHEREOF, Jon E. Hjelm and Kathy K. Hjelm have caused this Declaration to be executed as of the day and year first above written.

JON E. HJELM,  
as an Initial Owner

\_\_\_\_\_

KATHY K. HJELM,  
as an Initial Owner

\_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by JON E. HJELM, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by KATHY K. HJELM, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, William H. Marx, Jr., and Christine S. Marx have caused this Declaration to be executed as of the day and year first above written.

WILLIAM H. MARX, JR.,  
as an Initial Owner

\_\_\_\_\_

CHRISTINE S. MARX,  
as an Initial Owner

\_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by WILLIAM H. MARX, JR., as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by CHRISTINE S. MARX, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, Scott E. Sonnenberg and Jennifer L. Sonnenberg have caused this Declaration to be executed as of the day and year first above written.

SCOTT E. SONNENBERG,  
as an Initial Owner

\_\_\_\_\_

JENNIFER L. SONNENBERG,  
as an Initial Owner

\_\_\_\_\_

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by SCOTT E. SONNENBERG, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by JENNIFER L. SONNENBERG, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, J. Wesley Williams and Patricia E. Williams have caused this Declaration to be executed as of the day and year first above written.

J. WESLEY WILLIAMS,  
as an Initial Owner

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PATRICIA E. WILLIAMS,  
as an Initial Owner

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STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by J. WESLEY WILLIAMS, as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by PATRICIA E. WILLIAMS, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

IN WITNESS WHEREOF, Barbara Wilcox, Trustee of the Charles Wilcox Trust, has caused this Declaration to be executed as of the day and year first above written.

BARBARA WILCOX, Trustee of the Charles  
Wilcox Trust, as an Initial Owner

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STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by BARBARA WILCOX, Trustee of the Charles Wilcox Trust, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

IN WITNESS WHEREOF, Peggy W. Yerke has caused this Declaration to be executed as of the day and year first above written.

PEGGY W. YERKE,  
as an Initial Owner

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STATE OF OHIO                    )  
COUNTY OF \_\_\_\_\_) SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by PEGGY W. YERKE, as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the date and year aforesaid.

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Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF INITIAL PROPERTY

[see attached]

EXHIBIT B

MAP OF INITIAL PROPERTY

[see attached]

## EXHIBIT C

### PROFITS

“Profits” of a corporation means (i) net income as defined in Chapter 5733 of the Revised Code as it may from time to time be amended (or in the corresponding statute of any future Ohio corporation tax law imposed on or measured by net income), (ii) including (notwithstanding anything to the contrary in Chapter 5733 of the Revised Code) net income derived from intangible property, (iii) excluding net income with respect to which the imposition of an Income Charge is prohibited by the Constitution of the United States, by Act of Congress, by the Constitution of the State of Ohio, or by Act of the General Assembly of the State of Ohio, as (iv) allocated or apportioned to the Property in the manner described below.

“Profits” of a sole proprietorship means (i) net profit as reported to the Internal Revenue Service, (ii) excluding net profit with respect to which the imposition of an Income Charge is prohibited by the Constitution of the United States, by Act of Congress, by the Constitution of the State of Ohio, or by Act of the General Assembly of the State of Ohio, (iii) less the net losses as reported to the Internal Revenue Service for the five immediately preceding Income Charge Years to the extent that such losses have not previously been subtracted from net profit in calculating Profits, as (iv) allocated or apportioned to the Property in the manner described below.

“Profits” of a person or entity other than a corporation or sole proprietorship means (i) taxable income as defined in the Internal Revenue Code (or in the corresponding statute of any future United States Internal Revenue law), (ii) excluding taxable income with respect to which the imposition of an Income Charge is prohibited by the Constitution of the United States, by Act of Congress, by the Constitution of the State of Ohio, or by Act of the General Assembly of the State of Ohio, as (iii) allocated or apportioned to the Property in the manner described below.

For the purpose of paragraphs (a) and (b) below, “net income” shall mean (i) “net profit” in the case of a sole proprietorship and (ii) “taxable income” in the case of an entity other than a corporation or a sole proprietorship.

(a) Allocation of net income:

- (1) Net rents and royalties from any Parcel are allocable to the Property.
- (2) Net rents and royalties from tangible personal property, to the extent such tangible personal property is utilized on the Property, are allocable to the Property.
- (3) Capital gains and losses from the sale or other disposition of any Parcel or interest therein are allocable to the Property.
- (4) Capital gains and losses from the sale or other disposition of tangible personal property are allocable to the Property if such tangible personal property had a situs on the Property at the time of sale.

(5) Capital gains and losses from the sale or other disposition of intangible personal property which may produce income enumerated in subparagraph (6) of this paragraph shall be allocated as set forth in such subparagraph. Capital gains and losses from the sale or other disposition of all other intangible personal property shall be allocated on the basis of commercial situs.

(6) Dividends, which are not otherwise deducted or excluded from net income, shall be apportioned to the Property in accordance with the ratio which the book value of the physical assets of the payor located on the Property bears to the book value of the total physical assets of the payor thereof located everywhere. Dividends received from payors, the location of whose physical assets is not available to the Resident, shall be apportioned as provided in subparagraph (8) of this paragraph.

(7) Patent and copyright royalties and technical assistance fees, not representing the principal source of gross receipts of the Resident are allocable to the Property to the extent that the activity of the payor thereof, giving rise to the payment, takes place on the Property.

(8) Any other net income, other than that enumerated in subparagraphs (1) to (7), inclusive, of this paragraph, shall be allocated to the Property on the basis of the apportionment mechanism provided in paragraph B below.

(b) Apportionment of net income: The amount of net income, excluding the net income which is allocable under subparagraphs A(1) through A(7), apportioned to the Property shall be determined by multiplying such net income by a fraction, the numerator of which is the sum of the property factor plus the payroll factor plus the sales factor, and the denominator of which is three, provided that the denominator of three shall be reduced by the number of factors which have a denominator of zero. The property, payroll and sales factors shall be determined as follows:

(1) The property factor is a fraction, the numerator of which is the average value of the Resident's real and tangible personal property owned or rented and used in the trade or business on the Property during the Income Charge Year and the denominator of which is the average value of all of the Resident's real and tangible personal property owned or rented and used in the trade or business everywhere during such year. There shall be excluded from the numerator and the denominator of the property factor the original cost of property within Ohio with respect to which a "pollution control facility" certificate has been issued pursuant to Section 5709.21 of the Revised Code or an "industrial water pollution control certificate" has been issued pursuant to Section 5709.21 or former Section 6111.31 of the Revised Code.

(A) Real and personal tangible property owned by a Resident is valued at its original cost. Real and personal tangible property rented by a Resident is valued at eight times the net annual rental rate. Net annual rental rate means the

annual rental rate paid by the Resident less any annual rental rate received by the Resident from subrentals.

(B) The average value of real and personal tangible property shall be determined by averaging the values at the beginning and the end of the Income Charge Year, but the Community Authority may require the averaging of monthly values during the Income Charge Year, if reasonably required to reflect properly the average value of the property.

(2) The payroll factor is a fraction the numerator of which is the total amount paid within the Property during the Income Charge Year by the Resident for compensation, and the denominator of which is the total compensation paid everywhere by the Resident during such year:

(A) Compensation means any form of remuneration paid to an employee for personal services.

(B) Compensation is paid within the Property if:

(i) The recipient's service is performed entirely on the Property;

(ii) The recipient's service is performed both on and off the Property, but the service performed off the Property is incidental to the recipient's service performed on the Property; or

(iii) Some of the service is performed on the Property and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is on the Property.

(C) Compensation is paid on the Property to any employee of a common or contract motor carrier corporation, who performs his regularly assigned duties on a motor vehicle both on and off the Property, in the same ratio by which the mileage traveled by such employee on the Property bears to the total mileage traveled by such employee everywhere during the Income Charge Year.

(3) The sales factor is a fraction the numerator of which is the value of business done, measured by the sum of all sales on the Property by the Resident during the Income Charge Year, and the denominator of which is the total value of its business done, measured by the sum of all sales by the Resident everywhere during such year.

(A) Sales of tangible personal property on the Property shall include all sales originating at a Place of Business on the Property where the tangible personal property is received on the Property by the purchaser. In the case of delivery of tangible personal property by common carrier or by other means of

transportation, the place at which such tangible personal property is ultimately received after all transportation has been completed shall be considered as the place at which such tangible personal property is received by the purchaser. Direct delivery on the Property, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser on the Property and direct delivery off the Property to a person or firm designated by a purchaser does not constitute delivery to the purchaser on the Property, regardless of where title passes or other conditions of sale.

(B) Sales of other than tangible personal property on the Property shall include all sales of services, of intangible property or of real property with respect to which either the income-producing activity is performed on the Property or the income-producing activity is performed both on and off the Property and a greater proportion of the income-producing activity is performed on the Property than off it, based on costs of performance. If the income-producing activity involves the solicitation of a sale, the location of the solicitation shall control. If the sale is principally solicited by the Resident, or its agent from an office on the Property, such activity shall be allocated to the Property. If the sale is principally solicited by the Resident or its agent from an office off the Property, such activity shall not be allocated to the Property.

(c) If application of the allocations and apportionment provided for in this Exhibit does not fairly determine the Profits of a Resident attributable to the business activity actually conducted by the Resident on the Property, the Community Authority may require, or the Resident may request in writing and the Community Authority may approve, application of an alternative method of allocation and apportionment.

EXHIBIT D

FORM OF SUPPLEMENTAL DECLARATION

SUPPLEMENTAL DECLARATION

OF COVENANTS, RESTRICTIONS AND AGREEMENTS

FOR JEROME VILLAGE COMMUNITY AUTHORITY

THIS \_\_\_\_\_ SUPPLEMENTAL DECLARATION OF COVENANTS, RESTRICTIONS AND AGREEMENTS FOR JEROME VILLAGE COMMUNITY AUTHORITY (this “\_\_\_\_\_ Supplemental Declaration”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by [OWNER NAME, type of entity (the “Owner”)], JEROME VILLAGE COMPANY, LLC, an Ohio limited liability company (the “Initial Private Developer”),] and JEROME VILLAGE COMMUNITY AUTHORITY (the “Community Authority”).

WHEREAS on \_\_\_\_\_, \_\_\_\_\_, that certain Declaration of Covenants, Restrictions and Agreements for Jerome Village Community Authority in the County of Union, Ohio (the “Declaration”), was recorded at \_\_\_\_\_ in the office of the Recorder, Union County, Ohio; and

WHEREAS, pursuant to the terms of Article III of the Declaration, the [Initial Private Developer and] the Community Authority reserved the right to submit Additional Property (as that term is defined in the Declaration) to the covenants, conditions, restrictions, charges, liens and other obligations provided for in the Declaration (the “Restrictions”); and

WHEREAS, the Owner, as the owner of a \_\_\_\_\_ acre tract of real property located in \_\_\_\_\_ County, Ohio, more particularly described in Exhibit A (the “Property”) attached hereto and incorporated herein by reference, desires to subject such Property to the Restrictions and the Declaration;

[WHEREAS, the undersigned, being the Initial Private Developer and the Community Authority, hereby determine pursuant to the terms of Section 2.01 of the Declaration to permit \_\_\_\_\_ to become a party to the Declaration as an Additional Private Developer;]

NOW THEREFORE, pursuant to the powers reserved in Article III of the Declaration, the Owner[, the Initial Private Developer] and the Community Authority hereby declare that [the Owner shall be added as a party to the Declaration as an Additional Private Developer (as that term is defined in the Declaration), and that] the Property shall be improved, held, sold, conveyed, encumbered, leased, occupied or otherwise transferred subject to the Restrictions and the Declaration which shall constitute covenants running with the Property and shall be binding upon all parties now or hereafter having any right, title or interest in the Property or any part thereof, and all such persons, including their respective heirs, personal and legal representatives and successors and assigns, acquiring any right, title or interest in the Property, and as a part of the consideration

