

CONDOMINIUM DEVELOPMENT STATEMENT
FOR
BOB-O-LINK CONDOMINIUM NORTH

We are pleased to provide you, a prospective purchaser of a residential Unit in Bob-O-Link Condominium North, the information contained in this Statement, which you are entitled to receive under Ohio law.

In order to enable you to better understand the information we are providing, you should know that definitions of various terms used in this Statement are contained in Chapter 5311 of the Ohio Revised Code ("the condominium act") and in the Declaration of Condominium Ownership for Bob-O-Link Condominium North ("the Declaration"). We also try in this Statement, from time to time at appropriate points, to define or clarify various unfamiliar terms, and, for convenience, to use short term references to otherwise lengthy terms. The headings of the various paragraphs and subparagraphs are not necessarily part of the text that follows, but serve as labels to help you locate various items.

This Development Statement summarizes many of the provisions of the other legal documents for Bob-O-Link Condominium North ("the condominium instruments") and the condominium act. Various details could not be included in these summaries. You are urged to review the condominium instruments first hand to obtain more complete information.

PLEASE NOTE:

NO ONE IS AUTHORIZED TO TELL YOU ANYTHING THAT IS INCONSISTENT WITH THIS DEVELOPMENT STATEMENT OR THE CONDOMINIUM INSTRUMENTS. DO NOT RELY UPON ANY SUCH ORAL REPRESENTATIONS. THEY ARE NOT OFFICIAL. REFER TO THIS OFFERING STATEMENT AND THE CONDOMINIUM INSTRUMENTS FOR ACCURATE INFORMATION.

This Condominium Development Statement was prepared by:

DAY, KETTERER, RALEY, WRIGHT & RYBOLT
Attorneys at Law
800 Cleve-Tusc. Building
Canton, Ohio 44702-1988

A. IDENTIFICATIONS.

A-1. NAME AND ADDRESS OF THE CONDOMINIUM DEVELOPMENT.

Bob-O-Link Condominium North
7701-7715, 7761-7775 Peachmont Avenue, N.W.
North Canton, Ohio 44720

A-2. NAME, ADDRESS, AND TELEPHONE NUMBER OF DEVELOPER
(REFERRED TO HEREIN AND IN THE OTHER CONDOMINIUM
INSTRUMENTS AS "DECLARANT").

Bob-O-Link North, Inc.
2400 Applegrove, N.W.
North Canton, Ohio 44720
(216) 494-0535

A-3. NAME, ADDRESS, AND TELEPHONE NUMBER OF SALES AGENT.

Bob-O-Link North, Inc.
2400 Applegrove, N.W.
North Canton, Ohio 44720
(216) 494-0535

A-4. NAME, ADDRESS AND TELEPHONE NUMBER OF MANAGER OF
THE CONDOMINIUM.

Paul A. Weber, dba Paul Weber, Builder
(a sole proprietorship)
2400 Applegrove, N.W.
North Canton, Ohio 44720
(216) 494-0535

B. GENERAL NARRATIVE DESCRIPTION OF THE DEVELOPMENT.

B-1. TOTAL NUMBER OF UNITS. There are, or soon will be,
sixteen (16) Units in the Condominium.

B-2. DESCRIPTION OF THE TYPE OF UNITS AND THE PRICE OF EACH
TYPE OF UNIT.

See Attachment 5 of this Development Statement.

B-3. THE TOTAL NUMBER OF UNITS THAT MAY BE INCLUDED IN THE
DEVELOPMENT BY REASON OF FUTURE EXPANSION OF THE DEVELOPMENT.

The total number of Units, if the Condominium is expanded, will not
exceed 358.

B-4. PRECISE STATEMENT OF THE NATURE OF THE CONDOMINIUM
OWNERSHIP INTEREST THAT IS BEING OFFERED. Prospective purchasers
are being offered fee simple interests in the individual Units,
which includes that Unit's undivided interest (as specified below)
in the Common Areas and Facilities, subject only to conditions,
restrictions, and easements of record (see Item K, below), and the

lien of real estate taxes not yet due and payable. The price of each of the Units includes carpeting, a range, a refrigerator, a dishwasher, a disposal unit, a gas furnace, air conditioning and an outdoor gas grill which Declarant will provide and install. Additional options are available at extra cost. For convenience, a "Condominium Ownership Interest" will generally be referred to herein and in the other condominium instruments as a "Unit."

The undivided interests in the Common Areas and Facilities which go with the respective Units are expressed as a fraction as follows:

All Units 1/16

C. GENERAL DISCLOSURE OF THE STATUS OF:

C-1. CONSTRUCTION. See Attachment 2 of this Development Statement.

C-2. ZONING. The premises are presently zoned R-3, multi-family, residential.

C-3. SITE PLAN OR OTHER APPROVALS. A site plan is included in the drawings attached as Exhibit E to the Declaration, which has been filed with the Stark County Auditor and Recorder. A building permit from Stark County and a zoning permit from Plain Township were required and obtained. To the best of Declarant's knowledge, no other approvals are necessary or have been requested.

C-4. COMPLIANCE OR NOTICE OF FAILURE TO COMPLY WITH ANY OTHER FEDERAL, STATE, OR LOCAL STATUTES OR REGULATIONS AFFECTING THE DEVELOPMENT. To the best of Declarant's knowledge, there is compliance with, and Declarant has not received notice of failure to comply with, any other federal, state, or local statutes or regulations affecting the Condominium.

C-5. ACTUAL OR SCHEDULED DATES OF COMPLETION OF BUILDING, RECREATIONAL FACILITIES, AND OTHER COMMON AREAS AND FACILITIES. Declarant does not expect to construct any recreational facilities on Parcels 1 or 2. Construction of Building 1 and the Common Areas and Facilities on Parcel 1 has been finished for some time. Construction of Building 2 (on Parcel 2) is substantially completed. The other improvements in the Common Areas and Facilities on Parcel 2 are scheduled to be substantially completed (all of which is described in Attachment 2), not later than the end of April, 1983, and prior to the conveyance of Units.

D. SIGNIFICANT TERMS OF ANY FINANCING OFFERED BY OR THROUGH THE DEVELOPER.

There is no financing being offered by or through Declarant.

E. DESCRIPTION OF WARRANTIES.

E-1. UNITS. Except as is provided in Item E-3, below, each purchaser will be given a limited warranty covering the full cost of labor and materials for any repair or replacement of structural, mechanical, and other elements pertaining to each Unit, occasioned or necessitated by defects in material or workmanship, that arise within a period of one year from the date the deed is filed for record following the sale of the first Unit in the Condominium to a purchaser in good faith for value.

E-2. COMMON AREAS AND FACILITIES. Each purchaser will be given a limited warranty covering the full cost of labor and materials for any repair or replacement of the roof and structural components, and mechanical, electrical, plumbing, and common service elements serving the Condominium as a whole, occasioned or necessitated by defects in material or workmanship, that arise: (a) with respect to Parcel 1, within a period of two years from the date the deed is filed for record following the sale of the first Unit in the Condominium to a purchaser in good faith for value (b) with respect to Parcel 2, within a period of two years from the date the deed is filed for record following the sale of the first Unit in Parcel 2 to a purchaser in good faith for value, and (c) with respect to any portion of the additional property that may be added to the Condominium, within a period of two (2) years from the date the deed is filed for record following the sale of the first Unit in such portion to a purchaser in good faith for value.

E-3. APPLIANCES. In the case of ranges, refrigerators, washing machines, clothes dryers, hot water heaters and similar appliances, installed and furnished by Declarant as part of the Unit, Declarant will assign to each purchaser all express and implied warranties of the manufacturer, and will give a limited warranty to each purchaser covering the proper installation of such appliances.

E-4. EXTENDED WARRANTIES. Declarant shall assign to purchasers any warranties made to Declarant that exceed the time periods specified herein with respect to any such warranties.

E-5. LIMITATIONS.

(a) No responsibility is assumed for damages from any cause, whatsoever, other than to repair or replace, at Declarant's cost, property damaged by reason of the breach by Declarant of any warranty given by Declarant to the purchasers.

(b) No responsibility is assumed for consequential or incidental damages, except to the extent, if any, not permitted to be excluded or limited by law.

(c) Implied warranties, if any, are limited to one year from the date on which the Unit is deeded to a purchaser, except to the extent, if any, such limitation is not lawful.

(d) These written warranties are the only express warranties given by Declarant.

(e) Any request for service must be sent in writing to Declarant at 2400 Applegrove, N.W., North Canton, Ohio 44720, or at such other address as Declarant may designate, from time to time, in writing to the purchasers. Declarant or Declarant's designated representative will commence performance of Declarant's obligations under this limited warranty within thirty (30) days after receipt of a purchaser's request for service, and complete the same as soon as reasonably possible. All repairs and adjustments will be made Monday through Friday, 8:00 a.m. to 5:00 p.m.

E-6. OTHER RIGHTS. This written limited warranty gives you specific legal rights, and you may also have other legal rights under law.

F. TWO-YEAR PROJECTION OF ANNUAL EXPENDITURES NECESSARY TO OPERATE AND MAINTAIN THE COMMON AREAS AND FACILITIES OF THE CONDOMINIUM.

See Attachment 3 of this Development Statement.

G. SIGNIFICANT PROVISIONS FOR MANAGEMENT OF THE CONDOMINIUM.

G-1. CONDITIONS FOR THE FORMATION OF A UNIT OWNERS' ASSOCIATION. The Association has been formed and was incorporated as a not-for-profit corporation in the State of Ohio in October, 1981.

G-2. APPORTIONMENT OF VOTING RIGHTS AMONG MEMBERS OF THE ASSOCIATION. The owner of each Unit shall have one vote for each Unit owned in fee simple, and a proportionate part of a vote for ownership of an undivided fee simple interest in a Unit.

From the time that the Association has been created until no later than the time that Units to which 25% of the Common Areas and Facilities appertain have been sold and conveyed by Declarant, the Association's Board of Managers will be made up of three persons selected by Declarant. No later than the time that Units to which 25% of the Common Areas and Facilities appertain have been sold and conveyed by Declarant, the Unit owners (other than Declarant) shall meet and elect one additional person to serve on the Board, which then will be made up of four people.

No later than the time that Units to which 50% of the Common Areas and Facilities appertain have been sold and conveyed by Declarant, the Unit owners (other than Declarant) shall again meet and elect another person to serve on the Board. At the same time, Declarant may designate another person to be a Board member. The Board will then consist of six people.

Within 30 days after the earlier of: (a) the expiration of the 5-year period plus 30 days following the establishment of the

Association, or (b) the sale and conveyance to purchasers in good faith and for value of Units to which 75% of the Common Areas and Facilities appertain, the Association shall meet and all Unit owners, including Declarant, shall elect five Managers to replace all of those Managers earlier elected or designated by the owners or Declarant. These five Managers will serve until the next annual meeting of the members of the Association. At that time and at all annual meetings thereafter, the members will elect five people to serve on the Board for 1-year terms, and the Board will consist of five Managers. (All percentages noted above will be computed on the basis of the total number of Units (358) which may be created on the Condominium Property and the additional property.)

G-3. CONTRACTUAL RIGHTS AND RESPONSIBILITIES OF THE UNIT OWNERS' ASSOCIATION. The Association has entered into a management agreement with Paul A. Weber, dba Paul Weber, Builder, a sole proprietorship, for the management of the Condominium. A copy of the agreement is included with this Development Statement as Attachment 4. The Association and Paul A. Weber have the rights and responsibilities set forth therein.

G-4. THE CONDOMINIUM INSTRUMENTS ARE BINDING LEGAL DOCUMENTS; THEY MAY BE ALTERED OR AMENDED BY THE UNIT OWNERS' ASSOCIATION ONLY IN THE FOLLOWING MANNER. Amendment of the Declaration, the Bylaws of the Association, the drawings attached to the Declaration, and the Association's Articles of Incorporation requires the consent of Unit owners exercising not less than 75% of the voting power of the Unit owners and the consent of all approved mortgagees holding first mortgages on Units. ("Approved mortgagee" means any of the following persons or institutions which holds a valid recorded mortgage on a Unit or Units and has given notice to the Association stating the holder's name, address, and Unit or Units subject to its mortgage: (a) a commercial bank, an insurance company, and a savings and loan association; (b) a vendor which holds such mortgage for the purpose of securing all or a portion of the purchase price of such Unit or interest therein; and (c) any other person specifically approved by the Board of Managers prior to the grant of such mortgage to such other person.)

Notwithstanding the foregoing:

(a) The consent of all Unit owners (including Declarant while it owns any Unit(s)) will be required for any amendment affecting a change in:

(i) The boundaries of any Unit;

(ii) The undivided interests in the Common Areas and Facilities appertaining to a Unit or the liability for common expenses appertaining thereto, except for such amendments made in accordance with the provisions of the Declaration governing eminent domain proceedings and expansions, in which case those provisions shall control;

(iii) The number of votes in the Association appertaining to any Unit, except for such amendments made in accordance with the provisions of the Declaration governing eminent domain proceedings, in which case such provisions shall control; or

(iv) The fundamental purposes to which any Unit or the Common Areas and Facilities are restricted.

(b) The consent of Unit owners exercising not less than 75% of the voting power of Unit owners, the consent of all approved mortgagees holding first mortgages on Units, the consent of all owners of Units which may have been damaged or destroyed as part of the same occurrence, and the consent of Declarant (while it owns a fee simple interest in any Unit) will be required for any decision not to restore property which has been damaged or destroyed.

(c) The consent of Unit owners exercising not less than 80% of the voting power of the Association, the consent of those owners to whose Units appertain (in the aggregate) at least 80% of the total undivided interests in the Common Areas and Facilities, the consent of all approved mortgagees holding first mortgages on Units, and the consent of Declarant (while it owns a fee simple interest in any Unit) will be required to remove the Condominium from condominium act.

(d) Declarant reserves the right and power, for a period of five years from the date of the filing of the Declaration, to amend the declaration, the Bylaws, and/or the Articles of Incorporation, to the extent necessary to conform to the requirements then governing the purchase or insurance of mortgages by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Guaranty Insurance Corporation, the Federal Housing Administration, the Veterans Administration, or any other such agency or organization; provided that the consent of all approved mortgagees holding first mortgage liens is obtained; and further provided that if there then is a Unit owner other than Declarant, the Declaration shall not be amended to increase the scope or the period of control by Declarant. None of the other provisions herein shall be deemed to limit or qualify this right and power reserved by Declarant.

(e) As long as Declarant owns a fee simple interest in any Unit, no "Declarant-related" amendment (i.e., one that affects Declarant's rights or status, relates to it differently than to other Unit owners or discriminates against it, or modifies certain specific provisions in the condominium instruments) to any of the condominium instruments may be made without Declarant's written approval.

H. MANAGEMENT CONTRACTS.

The Association has entered into a management contract with Paul A. Weber, dba Paul Weber, Builder, a sole proprietorship, for the management of the Condominium. A copy of the contract is included with this Statement as Attachment 4.

Under the Management Agreement, Paul A. Weber will perform for the Association most of the duties for which the Association is responsible, including: maintenance and repair of the Common Areas and Facilities; collection of assessments; reporting delinquencies to the Board; placing amounts received in proper accounts and making disbursements for common expenses and other costs which the Association is authorized to pay; securing goods, services and supplies; arranging for insurance policies as directed by the Board; preparing tax returns and other reports for the Association; and maintaining the Association's corporate and financial records. Paul A. Weber will also act as an advisor to the Board of Managers, such as by submitting to the Board proposed budgets for the operation of the Condominium from year to year. The cost to the Association of these services throughout the two-year term of the Agreement attached will be an amount equivalent to \$10.00 per Unit per month. These costs are common expenses, and the total charge will be assessed to Unit owners in proportion to their respective ownership interests in the Common Areas and Facilities. Paul A. Weber is the president and principal shareholder of Declarant.

I. STATEMENT OF PURCHASER'S RIGHTS.

Included with this Statement, labeled as Attachment 1, and made a part hereof, is a statement in 20-point bold face type (as required by Section 5311.26(J) of the condominium act) of the purchaser's right to review the condominium instruments, his right to void the contract, any conditions for the return of deposits, and a statement of the rights of purchasers under Section 5311.27 of the condominium act.

J. REQUIREMENT FOR THE ESTABLISHMENT OF A RESERVE FUND TO FINANCE THE COST OF REPAIR OR REPLACEMENT OF THE COMPONENTS OF THE COMMON AREAS.

The condominium instruments require the establishment of a funded reserve for contingencies and replacements to which annual contributions may be required. The amount of the reserve funds shall be the amount deemed adequate by the Board to cover the cost of unexpected expenses and replacements of improvements and to provide for the repair and replacement of major improvements for which it is advisable to establish cash reserves over a period of time in excess of one year.

See Section 1.J. and 2.C. of Attachment 3 for the projected amounts expected to be placed in such reserve during the next two years of the Condominium's operation.

K. SIGNIFICANT TERMS OF ANY ENCUMBRANCES, EASEMENTS, LIENS, AND MATTERS OF TITLE AFFECTING THE CONDOMINIUM DEVELOPMENT.

The premises are subject to an easement for utility purposes to Ohio Edison Company, dated March 7, 1938, and recorded in Deed Book 1198, Page 363 of the Records of Stark County, Ohio. There is no exact boundary line established for this easement.

The premises are also subject to an easement for utility purposes to The East Ohio Gas Company, dated March 16, 1981, and recorded in Volume 4327, Page 611 of the Records of Stark County, Ohio. There is no exact boundary line established for this easement.

The premises are also subject to an easement to Applegrove Water Company for a water distribution line, dated August 18, 1981, and recorded in Volume 4360, Page 71, Stark County, Ohio, Records.

The premises are also subject to an easement to Ohio Power Company dated November 10, 1981, and recorded in Volume 7, Page 372, Stark County, Ohio, Official Records.

The premises are also subject to conditions and restrictions contained in a warranty deed dated August 17, 1981, and recorded in Volume 4349, Page 559, Stark County, Ohio, Records.

The premises are subject to all legal highways and to a sanitary sewer easement to Stark County, Ohio.

Real estate taxes which are not yet due and payable are a lien on the premises. Each of the eight Units in Parcel 1 constitutes a separate tax parcel. Real estate taxes on each for the first half of 1982 were \$460.91, which amount has been paid for each such Unit which Declarant still owns. Parcel 2 is a portion of a larger parcel for real estate tax purposes, and the taxes have not yet been split. For the first half of 1982 the real estate taxes for the entire tax parcel consisting of approximately 3.458 acres, of which Parcel 2 is a part, were \$2,146.75. That amount has been paid in full.

The Declaration and Bylaws of the Association also affect the title to a Unit, and any Unit owner acquiring title to a Unit takes such title subject to the rights and obligations granted and imposed by those instruments.

There is a mortgage lien upon the premises which has been subordinated to the Declaration, as amended, and which will be released with respect to each Unit at the closing of the sale of the Unit.

L. REQUIREMENTS FOR ESCROW OF DEPOSITS.

Any deposit or downpayment made in connection with a sale will be held in trust or escrow until delivered at settlement or returned to or otherwise credited to the purchaser, or forfeited to Declarant.

If a deposit or downpayment of \$2,000 or more is held for more than 90 days, interest at the rate of 4% per annum for any period exceeding 90 days shall be credited to the purchaser at settlement or upon return or other credit made to the purchaser, or added to any forfeiture to Declarant.

Deposits and downpayments held in trust or escrow will not be subject to attachment by creditors of Declarant or a purchaser.

M. RESTRAINTS ON THE FREE ALIENABILITY OF ALL OR ANY PART OF THE CONDOMINIUM DEVELOPMENT.

The condominium act and the condominium instruments do not allow a Unit owner's undivided interest in the Common Areas and Facilities to be separated from the Unit to which it appertains. Such undivided interest is automatically deemed to be conveyed or encumbered with the Unit itself.

The Bylaws also impose certain restrictions on the disposition of Unit ownership by anyone other than Declarant and certain approved mortgagees. The Board of Managers, acting on behalf of Unit owners, has the right of first refusal in a proposed sale of any Unit ownership. The selling Unit owner must notify the Board of Managers 30 days in advance of the proposed sale of the terms of such sale and give information about the prospective buyer. The Board within such 30-day period may either obtain a purchaser to buy the Unit ownership interest or may purchase the Unit ownership interest itself on behalf of all of the Unit owners, on the same terms and conditions contained in the selling Unit owner's notice to it; provided, however, that if the Board of Managers determines that the proposed purchase price is inconsistent with the fair market value of the Unit ownership interest, the price to be paid by the Board or by a purchaser it procures will be determined by an arbitration panel composed of three real estate appraisers.

Similarly, a Unit owner other than Declarant must give 90 days notice to the Board of Managers prior to any disposition of his interest in the Unit by gift to anyone who would not be his heir at law if he were to die on that date. An arbitration panel composed of three real estate appraisers will determine the fair market value of the Unit ownership interest involved. The Board of Managers will then have the option to either procure a person who will purchase the Unit ownership interest for such fair market value or to purchase the Unit ownership interest itself, on behalf of all Unit owners for the same price. Neither the provisions described in this paragraph nor those in the immediately preceding paragraph will apply to a conveyance involving an approved mortgagee.

If a Unit owner dies and has devised any interest in his Unit ownership to a person who is not his heir at law, and if such Unit owner's will is probated, the Association will likewise have the right to obtain a determination of the fair market value of the Unit

ownership interest by an arbitration panel and an option to either procure a buyer who will purchase the interest for such fair market value or to purchase the interest itself, on behalf of all Unit owners, for the same price.

No Unit owner is permitted to mortgage his Unit or any interest in it without prior approval from the Board of Managers, except to a bank, life insurance company, savings and loan association, or to a vendor to secure a portion or all of the purchase price of such Unit or interest therein.

Any sale, gift, devise, or mortgage made without complying with the applicable restrictions described above can be voided by the Association, which reserves the right to take immediate possession of the subject Unit and to terminate the occupancy of any person not rightfully in possession.

N. PRESENT LITIGATION CONCERNING THE CONDOMINIUM DEVELOPMENT.

There is no litigation currently in progress which involves the condominium development.

O. PROPOSED FUTURE EXPANSION.

The property presently within, or about to be submitted to, the condominium form of ownership consists of the buildings, the Units, and the other improvements on Parcels 1 and 2 described above. Drawings of Parcels 1 and 2, the sanitary sewer easement benefiting those Parcels, the floor plans of the sixteen Units, and the side elevations of the buildings are included in the series of drawings identified as Attachment 6 hereof. Upon completion of the building and structures on Parcel 2 (work on the improvements in Parcel 1 has been completed for some time), Declarant will not legally be obligated to construct any other buildings, Units, or structures. The condominium instruments leave Declarant free to decide whether or not it will go forward after the completion of the improvements on Parcel 2 with an additional phase or phases of the project in order to expand the Condominium Property further, and also, free to decide what might or might not be included in such future phases. At the present time, however, Declarant is contemplating one (1) or possibly two (2) additional phases (for a total of four (4) phases, including Phase I which brought in Parcel 1 and Phase II which added, or is about to add, Parcel (2) that would expand the Condominium Development significantly. Declarant has reserved the right in the condominium instruments to make such additional expansion, although it is in no way bound to do so, nor is it bound to adhere to the proposal set forth under Items O-1 and/or O-2, below, if it undertakes an additional expansion project.

The location of Parcels 1 and 2, as well as the location of Parcels 3 and 4, which serve as additional property that can be used for further expansion of the Condominium, are shown on a drawing attached to this Development Statement.

O-1. PHASE III. Under the current proposal, Phase III would (if such expansion is begun and completed) be developed on the real property referred to as Parcel 3 in the Declaration. Phase III is presently planned to consist of a single building designated as Building 3. Building 3 is currently proposed to be a two-story structure containing eight (8) Units. Declarant reserves the right, if it goes ahead with Phase III, to increase the number of Units in Building 3 to a maximum of twelve (12) Units. Declarant is not obligated to construct Building 3 in Phase III on Parcel 3.

All of Parcel 3, if developed, will be devoted exclusively to residential use, subject to certain reserved rights related to the sale and rental of Units and the management of the Condominium Property. If a building is constructed as a part of Phase III, it is proposed to be compatible with, although not necessarily identical to, the buildings on Parcels 1 and 2 in terms of quality of construction, the principal materials to be used, and the architectural style. The portions of Parcel 3 which are not part of any of the Units are proposed to be Common Areas and Facilities. All parts of these Common Areas and Facilities which are comparable to the Limited Common Areas and Facilities on Parcels 1 and 2 will likewise be Limited Common Areas and Facilities on Parcel 3.

O-2. POSSIBLE ADDITIONAL EXPANSION. Declarant has reserved the option in its sole discretion to expand the Condominium Development on the real property referred to as Parcel 4 in the Declaration. Presently, however, no specific plans have been formulated to expand the Condominium Development beyond Phase III, which itself is only a proposal for expansion which Declarant is not obligated to undertake. Of the real property which makes up Parcel 4, Lot No. 159 is owned in fee by Declarant and the remainder is subject to an option to purchase in favor of Declarant.

If any structures on Parcel 4 are added to the Condominium Development through expansion, they will be compatible with those structures then on the Condominium property in terms of quality of construction but need not be compatible in terms of principal materials used or architectural style.

Although Declarant may expand the Condominium Development on Parcel 4, it is not obligated to do so. Declarant may expand the Condominium Development by adding any portion of Parcel 4 in one or more additional phases to the Condominium but could include no more than 12 Units per acre on any addition. If all of Parcel 4 were added to the Condominium Development a maximum of 330 Units could be constructed thereon.

Declarant reserves the right to use Parcel 4 or any portion thereof for other lawful uses if it chooses not to so expand this Condominium Development. Declarant may, if it chooses, construct one or more additional, separate condominiums thereon; construct single family residences, duplexes, or apartments thereon; or, if zoning laws are changed, construct non-residential structures thereon. Any such structures constructed on Parcel 4 which are not included

in this Condominium Development need not be compatible in terms of quality of construction, principal materials used, or architectural style with structures which are then on the Condominium property.

Unless the Declaration is amended, all Units in this Condominium Development will be exclusively for residential use.

O-3. CHANGE IN UNDIVIDED INTERESTS. If and when Bob-O-Link Condominium North is expanded (whether or not in accordance with the proposals described in Items O-1 and O-2, above) those persons who become owners of Units on the newly added property will acquire an undivided interest in the Common Areas and Facilities established in all prior Phases, as well as in the newly added Common Areas and Facilities; likewise, the owners of Units located on all property previously within Bob-O-Link Condominium North will acquire an undivided interest in the newly added Common Areas and Facilities. At the time of expansion, the Declaration will be amended and the fraction of interest for each Unit in all of the Common Areas and Facilities will be redetermined to be the fraction of which the numerator is the total number of square feet of floor area in the Unit reduced to the nearest multiple of the number 50 and of which the denominator is the number of square feet in all Units first so reduced and then added together. Owners of Units located in all parts of the Condominium Property as it exists after the expansion will be subject to and benefited by the same reciprocal rights and easements, just as if the additional property had always been a part of the Condominium Property; and all person who are or become owners of Units located on newly added property will be subject to all of the provisions of the condominium act, the Declaration, the Bylaws, and the Rules and Regulations of the Association.

P. ADDITIONAL FACTORS.

A prospective purchaser should be aware of the following information.

Units can be leased, provided that they are not used for transient or hotel purposes and provided further that no lease may be for a period less than a one-year term.

No more than six persons may use and occupy any Unit at any time, unless the Board of Managers grant express written permission for an exception to such restriction.

No person under the age of 16 years shall be or become a resident of any Unit unless the Board of Managers, in its absolute discretion, grants an exemption in writing.

Water for the condominium development will be supplied by the Applegrove Water Company which, through another corporation, is wholly owned by Paul A. Weber, the president and principal shareholder of Declarant.

Dogs, cats and other household pets may be brought in and kept in Units but only if brought into the Unit at the time the resident

first occupies the Unit and only if they are not kept, bred or maintained for any commercial purpose. No resident under any circumstance shall keep in a Unit any pet which he did not bring with him when he first moved into such Unit whether or not such pet is intended to replace a pet which had been kept in a Unit.

Each Unit owner is responsible for the maintenance of his own Unit (including the fixtures and appliances within his Unit) and the Limited Common Areas and Facilities, which benefit his Unit, such as the patio in the rear of the building, outside doors, windows, and related hardware, and any planting areas, as well as any growing things he has planted after receiving approval.

The Association has the right to enter Units for maintenance and repair work which it is authorized to perform under the Declaration and Bylaws after giving appropriate notice, except in emergencies when no notice need be given. The Association may retain a pass key to all Units, and no special locks may be installed on any door which would prevent the Association's access into a Unit.

The Association is to provide fire and casualty insurance covering all Common Areas and Facilities, the Units, and the permanent fixtures installed by Declarant within the Units. The Unit owner is prohibited from purchasing fire and casualty insurance which would duplicate the Association's insurance coverage, but is advised to purchase an insurance policy covering items of personal property in his Unit and items commonly called "tenant's improvements and betterments."

The annual common assessments which the Unit owner must pay to the Association will not include real estate taxes on his Unit or utilities metered for his Unit.

Any dispute which a Unit owner may have with another Unit owner concerning the Association's Rules and Regulations, and most types of disputes which may arise between a Unit owner and the Association, must be submitted to arbitration before either party may file a lawsuit.

The Association has various means of enforcing its Rules and Regulations and the provisions of the condominium instruments, including the collection of delinquent assessments. It may impose a charge of \$1.00 per day for the period that any delinquency remains outstanding, or it may declare the entire unpaid balance of the annual assessment immediately due and payable upon nonpayment of a monthly installment when due and then levy interest of 8% per annum on the total unpaid amount. It may file a lien against a Unit to secure payment of all amounts owed to it by the Unit owner and may bring a foreclosure action on the basis of that lien. After notice and opportunity for hearing (other than in emergencies), it can withdraw the right to use any community or recreational facilities or Limited Common Areas and Facilities, it can suspend voting rights

in the Association for as long as 60 days, it can require that a Unit owner give sureties if he has been guilty of repeated or flagrant violations, and/or it can enter a Unit and abate or remove nuisances. The Association, after notice and an opportunity for a hearing, can also fine a Unit owner, resident or tenant for violating the Rules, Regulations, or the provisions of the condominium instruments and such fine may become a special assessment against such Unit owner or the owner of the Unit which such resident or tenant occupied, whichever is applicable. In addition, the Association can sue to force a sale of a Unit when the owner or resident has been in violation for 30 days after notice, and/or sue for past damages and for an injunction to prohibit further violations. Also it can force a Unit owner or resident to remove a pet which is creating a nuisance. These enforcement powers have been provided to help insure that a few persons do not jeopardize the well-being and fiscal integrity of the Condominium community.