

Dear Village at Alum Creek Owner:

As part of our continuing efforts to properly administer the Village at Alum Creek Homeowners Association, Inc. and improve its operations as well as reasonably protect the community as a whole, we have decided to introduce several amendments to our documents that A) prohibit certain sexual predators from residing in our community B) enable the Association to send notices by regular or electronic mail, C) create staggered, three year terms for Board members, and D) restrict the leasing of homes with reasonable exceptions to provide flexibility. We urge you to consent to the passage of each of the following:

AMENDMENT A: This amendment prohibits certain classified Tier III and Tier II sexual offenders/child-victim offenders from living in and/or entering our community.

Ohio Revised Code Section 2950 defines three classes of sex offenders: Tier I, II, and III, with Tier III being the most severe. Following both a state and national trend, the Board recommends that the Association's governing documents be amended to prohibit County Sheriff-notified Tier III and Tier II sex offenders from residing in our community. Similar restrictions have been upheld in other states for the reason that an association's interest in preserving home values and resident safety outweighed the impact, if any, the restriction might have on an owner's ability to sell his/her home.

The Village at Alum Creek's governing documents currently make no provision against the residency of sex offenders. The possibility of a sex offender living in our community was not even a topic for debate in 1999 when the Association's governing documents were first drafted. Times have changed. A number of studies have determined that sex offenders are more likely to repeat their illegal actions than any other type of convicted criminal. Because of that, the Ohio residential real property disclosure form you must provide to any potential purchaser of your home advises buyers to contact the County Sheriff to determine if a sexual offender lives nearby. In short, County Sheriff-notified Tier III and Tier II offenders present a very real safety concern and have a significant negative impact on property values when neighbors are notified of an offender's occupancy in a nearby home.

The proposed amendment addresses the issues of residency, not ownership, and notification, as these are the focus of Ohio's sex offender legislation and are consistent with the requirement that restrictions must be reasonable. With the passage of the proposed amendment, all future Tier III and those classes of Tier II sex offenders who require community notification by the Delaware County Sheriff will be barred from living in our community. By adding this restriction to our documents, we can better protect our safety and our investments in our homes.

AMENDMENT B: During a recent review of the Village at Alum Creek governing documents, we learned of an outdated provision that requires all notices from the Association, including those for annual meetings, be mailed by registered or certified mail, return receipt requested. This is an overly burdensome and very expensive requirement, especially given the fact that there are 445 lots in the Village at Alum Creek. As certified mail postage costs several dollars more than regular mail for each unit, this requirement is a waste of the Association's funds. Consequently, we propose an amendment to delete this requirement. With the continuing changes and improvements in electronic communications, this amendment also permits the Association to take advantage of these changes to improve communication between the Association and owners, simplify Association business, and reduce costs on mailings.

AMENDMENT C: We propose to increase the term length for Board members and establish staggered elections. Currently, all five positions are up for election each year. Alternatively, we propose three-year terms to enable Board members to gain experience and have staggered 2-2-1 elections to allow for continuity on the Board. By doing so, we hope to improve the representation and decision-making on behalf of the entire Association.

AMENDMENT D: The amendment, if passed, limits additional rental homes at the Village at Alum Creek. We believe this amendment is important for a few important reasons.

First, we believe that an amendment that requires future purchasers to be residents of the property is a good concept. Rather than a potential "apartment complex" atmosphere, we can maintain a community of all resident-owners. Problems with conduct normally associated with some tenants would be avoided.

Second, eliminating the rental of homes will strengthen the ability of the Village at Alum Creek purchasers to obtain financing since lending institutions are wary of community associations with a significant number of rental homes.

Third, the proposed restriction has some flexibility and contains a few built-in exceptions to make it reasonable for everyone. These exceptions are:

1. The leasing restriction would not apply to current owners who are renting their homes. **CURRENT RENTAL HOMES ARE GRANDFATHERED FOR AS LONG AS YOU OWN THE HOME.**
2. If you own a home but only your child(ren) or parent(s) lives in the home, that living arrangement is excluded from the rental restriction.
3. The amendment contains an automatic, one-time right for all owners to lease their home for up to 24 months. If an owner is behind in his or her assessments and needs to rent the home to pay the fees, the amendment

calls for the rent to be paid directly to the Association until the account is paid in full.

At this time, we ask that the owner of each lot sign, date, and return the enclosed consent ballot to the Village at Alum Creek HOA in the self-addressed, stamped envelope enclosed for your convenience. Please note that the consent ballot must be signed and returned whether you are in favor of or against the amendment. As you may be aware, the Ohio law requires 75% approval for Amendments A, B, and D and the Bylaws require 67% approval to pass Amendment C. Again, we urge you to consent to these amendments.

Voting on the amendments will remain open until either approved or defeated. To, however, complete this process in a timely manner, we ask that you return your consent ballot at your earliest convenience.

If you should have any questions pertaining to these amendments, please feel free to contact any Board member. Thank you for your anticipated cooperation.

Sincerely yours,

THE BOARD OF DIRECTORS
VILLAGE AT ALUM CREEK HOMEOWNERS
ASSOCIATION, INC.

Enclosures

Lot Address _____
Owner(s) _____
(Please Print) _____

**CONSENT BALLOT TO AMEND THE WARRANTY DEED OF RESTRICTIONS FOR THE
VILLAGE AT ALUM CREEK SUBDIVISION**

To The Village at Alum Creek Subdivision Board of Directors:

The undersigned, Owner(s) of The Village at Alum Creek Subdivision Lot indicated above, hereby indicate(s) my/our consent or rejection of the Amendments to the Warranty Deed of Restrictions for The Village at Alum Creek Subdivision (the "Declaration") and the Code of Regulations of The Village at Alum Creek Homeowners Association, Inc. (the "Bylaws"), Lewis Center, Ohio, as set forth on the attached Pages 1 through 4 as follows (**Instructions:** After reading and considering the attached pages, please mark your vote for or against each Amendment listed below and then sign, date, and return this page to the Association):

IN FAVOR

AGAINST

AMENDMENT A: Prohibits Tier III and Tier II sexual offenders, for whom the county sheriff must provide community notification, from residing on or entering the property.

AMENDMENT B: Permits notices from the Association to be sent by regular U.S. mail or electronic mail.

AMENDMENT C: Creates a staggered 3-year term rotation for Board members.

AMENDMENT D: Restricts the leasing of homes with reasonable and necessary exceptions.

The undersigned further grant(s) a power of attorney to the officers of the Village at Alum Creek Homeowners Association, Inc. to execute the necessary documents to be filed with the Delaware County Records evidencing the consent(s), if any, granted below.

Signature of Owner

Date

Signature (If co-owned, both Owners should sign.
If only one signs, he/she states that he/she represents
the entire vote of the Lot.)

Date

LANGUAGE TO AMEND THE WARRANTY DEED OF RESTRICTIONS FOR THE VILLAGE AT ALUM CREEK SUBDIVISION

The Board of Directors for the Village at Alum Creek Homeowners Association, Inc. proposes that the Warranty Deed of Restrictions for the Village at Alum Creek Subdivision (the "Declaration") and the Code of Regulations of The Village at Alum Creek Homeowners Association, Inc. (the "Bylaws"), Lewis Center, Ohio, be amended as follows:

AMENDMENT A

INSERT a new DECLARATION ARTICLE 2, SECTION 2.25. Said new addition, to be added on Page 5 of the Declaration, as recorded at Delaware County Records Volume 0669, Page 165 et seq., is as follows:

2.25. A Person who is classified a Tier III or Tier II sexual offender/child-victim offender, or any future equivalent classification, and for whom the County Sheriff or other government entity must provide community notification of the sex offender's residence is prohibited from residing in or occupying a Lot or remaining in or on the Property for any length of time. The classification of a sexual offender/child-victim offender and determination of whether notice is required is made by a court of law pursuant to the Ohio Sex Offenders Act, as may be amended and/or renamed from time to time, or similar statute from another jurisdiction. The Owners' Association is not, however, liable to any Owner or Occupant, or anyone visiting any Lot or the Association, as a result of the Association's alleged failure, whether negligent, intentional, or otherwise, to enforce the provisions of this restriction.

Any conflict between this provision and any other provisions of the Declaration and Bylaws will be interpreted in favor of this restriction on the occupancy of Lots. The invalidity of any part of the above provision does not impair or affect in any manner the validity or enforceability of the remainder of the provision. Upon the recording of this amendment, only Owners of record at the time of such filing have standing to contest the validity of the amendment, whether on procedural, substantive, or any other grounds, provided further that any such challenge must be brought in the court of common pleas within one year of the recording of the amendment.

AMENDMENT B

DELETE DECLARATION ARTICLE 9, SECTION 9.02 in its entirety. Said deletion to be taken from Page 11 of the Declaration, as recorded at Delaware County Records Volume 0669, Page 165 et seq.

INSERT a new DECLARATION ARTICLE 9, SECTION 9.02. Said new addition, to be added on Page 11 of the Declaration, as recorded at Delaware County Records Volume 0669, Page 165 et seq., is as follows:

9.02. All notices required or permitted by the Restrictions or the Bylaws to the Owners' Association or the Board of Directors must be in writing and sent by regular U.S. mail, first-class postage prepaid, to the Board of Directors or the Owners' Association at the address of the Property or to such other address as the Board of Directors may designate from time to time by notice in writing to all Owners. All notices to any Owner must be hand-delivered, sent by electronic mail, or sent by regular U.S. mail, first-class postage prepaid, to such Owner's Lot address or to such other address as may be designated by him/her from time to time, in writing, to the Board of Directors. Any notice required or permitted to be given to any occupant of a Lot other than an Owner will effectively be given if hand-delivered or sent by regular U.S. mail, first-class postage prepaid, to the Lot address.

Any conflict between this provision and any other provision of the Declaration and Bylaws will be interpreted in favor of this amendment permitting notices by regular U.S. or electronic mail. The invalidity of any part of the above provision does not impair or affect in any manner the validity or enforceability of the remainder of the provision. Upon the recording of this amendment, only Owners of record at the time of such filing have standing to contest the validity of the amendment, whether on procedural, substantive, or any other grounds, provided further that any such challenge must be brought in the court of common pleas within one year of the recording of the amendment.

AMENDMENT C

DELETE the FIFTH SENTENCE of BYLAWS ARTICLE IV, SECTION 4.01. Said deletion to be taken from Page 3 of the Bylaws, as recorded at Delaware County Records Volume 802, Page 2187 et seq.

INSERT a new SECOND PARAGRAPH to BYLAWS ARTICLE IV, SECTION 4.01. Said insertion to be added on Page 3 of the Bylaws, as recorded at Delaware County Records Volume Book 802, Page 2187 et seq., is as follows:

All five Directors will be elected for a three-year term; however, the terms will be staggered so that at least one-fifth of the Board will expire annually and a 2-2-1 rotation is maintained at all times. Each Director will hold office until his/her successor is elected, or until his/her earlier resignation, removal from office or death. Any Director may resign at any time by oral statement to that effect made at a meeting of the Board or in a writing to that effect delivered to the Secretary or President of the Association, such resignation to take effect immediately or at such other time as the Director may specify.

Any conflict between this provision and any other provisions of the Declaration and Bylaws will be interpreted in favor of this amendment providing for Board member terms of three years each with staggered 2-2-1 elections. The invalidity of any part of the above provision will not impair or affect in any manner the validity or enforceability of the remainder of the provision. Upon the recording of this amendment, only Owners

of record at the time of such filing will have standing to contest the validity of the amendment, whether on procedural, substantive, or any other grounds, provided further that any such challenge will be brought within one year of the recording of the amendment.

AMENDMENT D

INSERT a new DECLARATION ARTICLE 2, SECTION 2.26. Said new addition, to be added on Page of the Declaration, as recorded at Delaware County Records Volume 0669, Page 165 et seq., is as follows:

2.26. No Lot (which for purposes of this Section includes the single family dwelling located upon a Lot) can be leased, let, or rented, whether for monetary compensation or not, by a Owner to others for business, speculative, investment, or any other purpose. The intent of this restriction is to create and maintain a community of resident Owners, subject to the following:

(a) This restriction does not apply to:

(1) Lots that are occupied by the parent(s) or child(ren) of the Owner(s); or,

(2) any Owner(s) leasing or renting his/her Lot at the time of recording of this amendment with the Delaware County Recorder's Office, and who has registered his/her Lot as being leased with the Association within 90 days of the recording of this amendment ("Grandfathered Lot"), said Owner(s) can continue to enjoy the privilege of leasing that Lot until the title to said Grandfathered Lot is transferred to a subsequent Owner(s), at which time the Lot will no longer be classified as a Grandfathered Lot.

(b) To meet a special situation and to avoid a practical difficulty or other undue hardship, each Owner(s) has the right to lease his/her Lot to a specified lessee for a one-time period of no more than 24 consecutive months. To exercise this right, the Owner cannot be more than 30 days delinquent in any assessment or other payment due to the Association and the Owner must provide the Board with prior, written notice at least 10 business days prior to the commencement of the lease. If the Owner is more than 30 days delinquent, the Owner may request and receive a one-time hardship exception only with the Board's prior written consent.

(c) In no event can a Lot be rented or leased by the Owner(s) for transient purposes, which is defined to mean a rental for any period less than six full, consecutive calendar months, neither rented nor

leased to any business or corporate entity for the purpose of corporate housing or similar type usage. Sub-leasing of any Lot, in whole or in part, is also prohibited.

(d) In addition, the Owners' Association has at all times a limited power-of-attorney from and on behalf of any Owner who is more than 30 days delinquent in the payment of any Assessment or charges due the Owners' Association to collect the lease/rent payments directly from the delinquent Owner's tenant/renter until such delinquency is paid in full.

(e) Any land contract for the sale of a Lot must be recorded with the Delaware County Recorder's Office and a recorded copy of the land contract must be delivered to the Board within 30 days of such recording. Any land contract not recorded is an impermissible lease.

(f) All leases must be in writing. The lessee must abide by the terms of the Declaration, Bylaws, and rules and regulations. When an Owner leases his/her Lot, the Owner(s) relinquishes all amenity privileges, but continue(s) to be responsible for all obligations of ownership of his/her Lot and is/are jointly and severally liable with the lessee to the Association for the conduct of the lessee and/or any damage to property. The Owner(s) must deliver a copy of any lease to the Board prior to the beginning of the lease term.

(h) The Board may adopt and enforce rules and/or definitions in furtherance, but not in contradiction of the above provisions, including, without limitation, rules to address and eliminate attempts to circumvent the meaning or intent of this Section 2.26 and in furtherance of the preservation of the Village at Alum Creek as an owner-occupied community and against the leasing of Lots for investment or other purposes. The Board further has full power and authority to deny the occupancy of any Lot by any person or family if the Board, in its sole discretion, determines that the Owner of such Lot is intending or seeking to circumvent the meaning, purpose, or intent of this Section 2.26.

Any conflict between this provision and any other provisions of the Declaration and Bylaws will be interpreted in favor of this restriction on the leasing of Lots. The invalidity of any part of the above provision does not impair or affect in any manner the validity or enforceability of the remainder of the provision. Upon the recording of this amendment, only Owners of record at the time of such filing have standing to contest the validity of the amendment, whether on procedural, substantive, or any other grounds, provided further that any such challenge must be brought in the court of common pleas within one year of the recording of the amendment.