

RECEIPT

The undersigned acknowledges the receipt from ALLOWAY REAL ESTATE HOLDINGS, LLC, an Ohio limited liability company, of the disclosure statement (which we refer to as the "Development Statement") required pursuant to Section 5311.26 of the Ohio Revised Code, and which shall also serve as an information brochure for:

THE RESIDENCES OF BETHEL WOODS

Unit Owners within this Condominium shall be responsible for REPAIRING, MAINTAINING, REPLACING, AND INSURING the entirety of their dwelling unit, inside and outside, including, but not limited to, the interior of their dwelling unit and all fixtures and improvements therein as well as the dwelling unit's roof, exterior structure, windows, screens, doors, frames, sashes, jambs, hardware, front porch or stoop, attached garage, driveway in front of the attached garage, concrete service walk connecting the driveway and front porch or stoop, finished and unfinished basement (if any), covered or screened porch (if any), and the enclosed courtyard patio area including its concrete or paver pad, fence enclosing the courtyard patio area, and any improvements within the courtyard patio area or elevated deck area.

This _____ day of _____, 20_____.

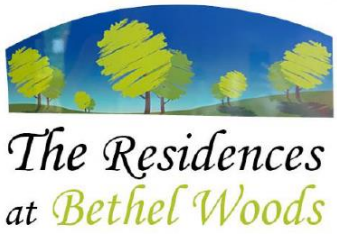
_____

_____
Signature(s) of Prospective Purchaser(s)

*Signing this receipt does not obligate you in any way but is merely evidence that we have complied with requirements of Ohio law to provide certain information and opinions to you.

BUYER'S COPY

THE RESIDENCES OF BETHEL WOODS
Condominium Development Statement and Information Brochure



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SELLER'S COPY

THE RESIDENCES OF BETHEL WOODS
Condominium Development Statement and Information Brochure

THE RESIDENCES AT BETHEL WOODS

Condominium Development Statement and Information Brochure

Dated: _____

We are pleased to provide to you, a purchaser or prospective purchaser of a Unit in The Residences at Bethel Woods, the information contained in this statement, both to meet certain requirements under the State of Ohio's enabling condominium law, Chapter 5311 of the Revised Code of Ohio, and also so that you may be fully informed.

Background

To enable you to better understand the information we are providing to you, you should know that definitions of various terms used in this statement are contained in the Condominium Act and in the Declaration of The Residences at Bethel Woods ("Declaration"). We will also try in this statement to define or clarify various unfamiliar terms, and, for convenience, to use simplified references for otherwise complex terms, i.e. "the Condominium Act" for "Chapter 5311 of the Revised Code of Ohio".

A. Identifications.

1. Condominium Development. The name of the Condominium development (referred to in this statement as the "Condominium") is The Residences at Bethel Woods. The Condominium is presently planned to be an up to forty-three (43) detached dwelling unit residential community situated on approximately 14.03± acres of land located off W. Fifth Street, in the City of Marysville, Township of Paris, County of Union, State of Ohio. Because, under the Condominium Act, a condominium may not be formed until the improvements have been substantially completed, the Condominium will be created in stages, as we will describe later.

2. Developer; Development Manager, Declarant. Our name, address and telephone number are:

   Alloway Real Estate Holdings, LLC
   22812 Pelomar Lane
   Marysville, Ohio 43040
   (937) 594-6136

We are referred to in the Condominium Act as the "Developer" and in several of the "Condominium Organizational Documents" (the Articles of Incorporation incorporating the

association of Unit Owners as a non-profit corporation, and the Declaration, Bylaws and Drawings creating this Condominium) as "Declarant." When we say "we" in this statement, we mean Alloway Real Estate Holdings, LLC and anyone to whom we may assign our rights. We are the managers of the actual construction and development.

3. Association. The association for the Condominium ("Association") is The Residences at Bethel Woods Condominium Association, an Ohio corporation not-for-profit that will be formed when the Condominium is formed, whose members consist of all Unit Owners, and which, through its Board of Directors, administers the Condominium.

4. Condominium Management. As previously mentioned, responsibility for seeing that the Condominium will be properly managed, among other things, is the responsibility of the Association's Board of Directors. Because it is desirable for the operation of condominium properties to be performed by professionals, and since directors of condominium associations are unpaid volunteers and normally not expected to spend vast amounts of time to do all of those things necessary to provide an efficient, well maintained development, it is customary for associations through their Board of Directors, to hire professional property managers to actually manage the day to day affairs of the association. For these reasons we presently anticipate that an independent property manager will be engaged and the Association will enter into a one-year contract (terminable without cause on no more than 90 days' notice) with that independent professional management organization for it to act as the hired property manager for the Condominium.

B. General Narrative Description.

1. Initial Stage. Upon formation, the Condominium is planned to initially consist no fewer than two (2) dwelling Units, portions of private roadways, mailbox facilities, walkways, driveways, and green and landscaped areas, all situated on a portion of the approximately 14.03± acres anticipated to eventually be part of the Condominium. The buildings are anticipated to be detached single story dwellings, built on a slab or with a basement, and contain one (1) dwelling unit per building. Each dwelling unit is anticipated to be built with a wood frame, wood siding, brick and/or cultured stone, aluminum fascia, and an asphalt shingle roofs. Each dwelling unit shall have an attached garage, a courtyard patio or elevated deck, and may have one or more of a veranda, basement, 4-seasons room, and a covered porch, screened porch, patio, or sitting room. A pavilion and additional common amenities may also be included in the initial stage.

2. Total Number of Units. Because incomplete improvements cannot be made a part of the Condominium, and because, as is normal in the residential construction industry, the Condominium is intended to be built in stages, as sales warrant, we

cannot reasonably represent when, or if, additional Units will be built and added to the Condominium. However, in addition to the projected two (2) dwelling Units anticipated to be included in the initial stage, we have reserved the right, and anticipate, to build and add as many as forty-one (41) additional dwelling units to the Condominium on the remainder of the approximately 14.03± acres not included in the initial stage for a total of forty-three (43) dwelling units. We are neither obligated to expand the Condominium nor limit the development of this Additional Property to any particular type or use except to the extent limited by zoning and building laws and regulations.

3. Type and Composition of Units. We refer to each dwelling unit as a "Unit", and the composition of each will be fully set forth in the Declaration and shown on the Drawings filed with the Declaration and amendments thereto. Each Unit will be substantially one of the types of Units and have the composition set forth on the attachment hereto marked “Attachment 2,” although we reserve the right to change interior layouts and structural options, to make changes in interior and exterior finish detail, to modify building elevations, and to make changes in size, as property conditions and buyers’ desires require. Naturally, also, Units of the same type may vary because of the selections and options. As used thereon "gross interior square feet" means the area of space that constitutes a "Unit", and is measured from interior surfaces of exterior walls inward, and includes space occupied by interior partitions, and space in any finished or unfinished basement, veranda, sitting room, and 4-seasons room. Each purchaser is advised that the gross interior square footage set forth on Attachment 2 is for purposes of the condominium law and is not precisely the size used and normally used for sales and marketing purposes.

4. Designation of Units. Each Unit will be legally designated by a number corresponding with a building number assigned by us and the numerical portion of the street address of that Unit. This is the Unit's "Unit Designation" and is an essential part of the legal identification of a Unit. Alternatively, Units may be designated solely with a number assigned by us. The Unit designation of each Unit presently planned to be in the initial stage is shown on Attachment 3 to this statement.

5. Interests and the Nature Thereof.

    a. Unit. The portion of the Condominium that is to be exclusively owned by a Unit Owner is called a "Unit", and each Unit Owner will own the entire "fee simple" interest in the Unit that purchaser buys. A fee simple interest in a Unit is the full legal title to that Unit. In this Condominium each Unit consists of the entirety of the single- family dwelling unit including, but not limited to, the interior of the dwelling unit and all fixtures and improvements therein as well as the dwelling unit’s roof, exterior, structure, front porch or

stoop, attached garage, finished or unfinished basement, covered or screened porch, and that portion of a courtyard concrete or paver pad located within a screened porch or located under a covered porch. The precise composition of each Unit will be fully described in the Declaration, or amendments thereto, and the location of each Unit will be shown on the Drawings, or amendments thereto.

b. Common Elements. The portions of the Condominium that are not parts of Units, including, but not limited to the land, private streets, and common amenities, if added to the Condominium, are called "Common Elements". The composition of the Common Elements will be described in the Declaration and shown on the Drawings, or the amendments thereto.

c. Undivided Interests. Each Unit purchaser will own an undivided interest, in common with all other Unit Owners, in the Common Elements. Those "undivided interests" will be assigned to Units on the basis that each Unit Type has a par value assigned to it in accordance with Attachment 2. Each Unit will have an undivided interest in the Common Elements in accordance with said value depicted in Attachment 2. Although no Unit purchaser may, by "partition" action, or otherwise, separate that purchaser's undivided interest from the Condominium, these undivided interests are important because if all or part of the Condominium were taken by public authority through legal proceedings, or if there were an instance in which fire insurance proceeds were not used for reconstruction and were instead distributed among Unit Owners, the proceeds would be distributed among the Unit Owners in the proportions of these undivided interests. The "common expenses" (which we will discuss later) will also be apportioned among the Units in accordance with these undivided interests. Each Unit purchaser is cautioned that the allocations of undivided interests, and thus the expense sharing, may not necessarily be proportionally precise since the results could be (i) if proceeds from a disaster were not used for reconstruction and, instead, were distributed, a Unit Owner with a higher valued Unit might receive proceeds less than that Unit Owner's actual loss, and (ii) the cost borne may not be precisely equivalent to the potential benefit received by that Unit Owner from the insurance proceeds. As we presently plan, the undivided interest of each Unit in the Common Elements as it will initially be constituted is set forth on Attachment 3 to this statement.

6. Maintenance and Repair Responsibilities.

a. Association Responsibility. The Association, to the extent and at such times as the Board in its exercise of business judgment determines to allocate funds therefore, shall maintain, repair, and replace all improvements constituting a

part of the Common Elements, as defined in the Declaration, including, but not limited to, utility lines in the Common Elements, lawns, shrubs, trees, walkways, private streets, common parking areas, and common amenities. The Association shall not maintain, repair, or replace any portion of the Unit, as defined in the Declaration, the concrete service walk connecting a Unit's driveway with its front porch or stoop, the courtyard patio or deck area, and the Unit's driveway. Except to the extent, if any, that a loss is covered by insurance maintained by the Association, and then only to the extent the net proceeds, after deductibles, are available for that purpose, the Association shall not have the responsibility to pay the cost of repair or maintenance of any Unit, or component thereof, or repair, maintenance, or replacement of personal property within a Unit, or improvements made by Unit Owners hereafter.

b. Individual Responsibility. Each Unit Owner shall repair and maintain the Unit or Units, as defined in the Declaration, and all components thereof, owned by that Unit Owner, and improvements made by Unit Owners hereafter.

Without limiting the generality of the foregoing, this repair and maintenance responsibility of a Unit Owner shall include repair, maintenance, and replacement of the entirety of their dwelling unit, inside and outside, including, but not limited to, the interior of their dwelling unit and all fixtures and improvements therein as well as the dwelling unit's roof, exterior, structure, windows, screens, doors, front porch or stoop, attached garage, driveway in front of the attached garage, concrete service walk connecting the driveway and front porch or stoop, finished or unfinished basement (if any), covered or screened porch (if any), and the enclosed courtyard patio or deck area including the concrete or paver pad or elevated deck, fence enclosing the courtyard patio or deck area, and any improvements within the courtyard patio or deck area.

If a Unit Owner shall fail to make a repair or perform maintenance required of that Unit Owner, or if the need for maintenance or repair of any part of any Unit or part of any of the Common Elements is caused by the negligent or intentional act of any Unit Owner or Occupant, or is as a result of the failure of any Unit Owner or that Unit Owner's predecessors in title to timely pursue to conclusion a claim under any warranty, express, implied, or imposed by law, the Association may perform the same, and if the cost of such repair or maintenance is not covered by insurance, whether because of a deductible or otherwise, the cost thereof shall constitute a Special Individual Unit Assessment, on the Unit owned by that Unit Owner and on

that Unit Owner. The determination that such maintenance or repair is necessary shall be made by the Association, in its sole discretion.

C. General Explanation of the Status of:

1. Initial Construction. Initial construction of the buildings is anticipated to commence on or about February 2021.

2. Zoning. The Condominium is in a zoning category of the City of Marysville permitting buildings, other improvements, and uses of the type and kind described for the Condominium in this statement and in the Condominium Organizational Documents.

3. Site Plan. A site plan of the Condominium will be included in the Drawings to be filed with the Declaration, and as additional stages of the Condominium are created, site plans of the property added to the Condominium will be included in amendments to the Drawings.

4. Compliance with Law; Approvals. All governmental inspections and approvals required to be made to date have been made. To the best of our knowledge there is compliance with, and we have not received notice of failure to comply with, any Federal, State, or local statutes or regulations affecting the Condominium.

5. Actual or Scheduled Completion. The buildings, site improvements, and all Common Elements of the Condominium, in the initial phase, will be substantially complete at the time the Declaration of Condominium is filed. Each additional Unit is scheduled to be substantially completed prior to the time the sale of that Unit is closed, although some interior finishing of a Unit will not be commenced until the Unit is under contract for sale and this work and some exterior work may not be fully completed at the time the sale of a Unit is closed.

6. Recreational Facilities. We are not obligated to construct or add to the Condominium any recreational facilities or other Common Elements.

D. Financing. Periodically financing may be offered to purchasers by or through us. If so, we will attach a summary of salient terms of such financing to this statement. Additionally, periodically we or our agents may advise prospective purchasers the rates and terms currently charged by various lenders. Each purchaser may obtain financing from whatever source the purchaser desires and for which the purchaser and Unit qualify.

E. Description of Warranties. The following is a description of the limited warranties (and the limitations thereon) that will be extended to you if you purchase a Unit:

1. One-Year Warranty. Except as otherwise provided in this item E, we will warrant to provide and pay for the full cost of labor and materials occasioned or necessitated by a defect in material or workmanship for any repair or replacement of any element that constitutes a part of your Unit, as defined in the Community's Declaration, that arises within a period of one (1) year from the date the deed to you for your Unit is filed for record.

2. Two-Year Warranty. We will warrant to provide and pay for the full cost of labor and materials occasioned or necessitated by defects in material or workmanship for any repair or replacement of Common Element, as defined in the Community's Declaration, as well as your Unit's roof and structural components (even though the roof and structural components are classified as being part of the Unit) and mechanical, electrical, plumbing, and other improvements serving the Condominium as a whole, that arise within a period of two (2) years. For property added to the Condominium via the original Declaration, the two-year period shall commence on the date the deed or other evidence of ownership is filed for record following the sale of the first condominium ownership interest in the property to a purchaser in good faith for value.

3. Appliances, etc. In the case of ranges, refrigerators, washing machines, clothes dryers, hot water heaters, and other similar appliances, if any, installed and furnished by us as part of your Unit, we will assign to you all express and implied warranties of the manufacturer, and our warranty with respect to such items will be limited to our warranty that the same have been properly installed.

4. Extended Warranties. We will assign to you any warranties made to us that exceed the time periods for warranties that we give to you by the limited warranty.

5. Limitations. No responsibility is assumed for damage from any cause, whatsoever, other than to repair or replace, at our cost, property damaged by reason of the breach by us of any warranty given to you.

    a. No responsibility is assumed for consequential or incidental damage except to the extent, if any, not permitted to be excluded or limited by law.

    b. Implied warranties, if any, are limited to one year from the date on which your unit is deeded to you, except to the extent, if any, that limitation is not lawful.

c. No warranty, either express or implied, is made regarding the presence or absence of radon gas or other hazardous environmental substance or condition in or about the Unit or Common Elements occurring as a result of natural causes or conditions not caused by us. We have not implemented any construction methods to eliminate the presence, or reduce the level, of radon gas.

d. Brass and faux brass fixture finishes are not warranted by us.

e. Stone, concrete, and asphalt are subject to cracking, pitting, discoloration, and scaling due to natural causes, such as weather conditions and the use of ice-melting agents, and due to the nature of the products or materials themselves. Consequently, we make no warranty that the stone and concrete walls, foundation, or floors, siding, asphalt drives, driveways, sidewalks, porches, patios, and any other improvements constructed of these products or materials will not crack, pit, change color, or scale.

f. Mold and mildew and the mycotoxins they produce are a naturally occurring result of moisture, humidity, lack of ventilation, and the materials they host and their environment. These products and conditions resulting could cause bodily injury and property damage. We represent that we are not aware of any such products or conditions in the Condominium, but we make no representation or warranty that such products or conditions will not be produced or arise, and we assume no responsibility for bodily injury and property damage resulting therefrom.

g. No warranty, either express or implied, is made regarding the presence or transmission of any sounds or odors within a Unit or between Units.

h. Any claim for breach of warranty not made, in writing, and received by us within forty-eight (48) hours after expiration of the warranty period, shall be deemed waived.

i. Any action brought with respect to any warranty extended pursuant hereto or by law shall be commenced within one (1) year of the expiration of the applicable warranty period or be forever barred.

j. Any request for service or claim of breach of warranty must be sent in writing to us at our address above, or at such other address as we may periodically designate in writing to you. We or our designated representative will commence performance of our obligations under this warranty within thirty (30) days after receipt of your 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 4:00 p.m.

6. Other Rights. The limited warranty we provide will give you specific legal rights and you may also have other legal rights under law. We will also extend to you, and to other Unit purchasers, warranties with respect to improvements a part of the Common Elements, if any, that we are given and that exceed the warranties that we give to you.

F. Expense Projections.

1. General. Following are (a) projections of expenditures that will be incurred by the Association and charged through assessments to Unit Owners, (b) projections of expenditures that will be incurred, individually, by Unit Owners and Occupants, for utilities with respect to their Units, and (c) the assumptions for and bases of these projections. **These projections are estimates only**, are based upon our general knowledge and experience, and may not reflect actual costs, both because it is impossible to accurately predict future costs and because these estimates are not based on firm bids. **We cannot and do not guarantee or warrant in any way that the actual budget adopted by the Association or expenses incurred by the Association or individually will be the same as these projections**. The purpose of these projections is only to provide to each prospective purchaser good faith estimates by us of what we believe prospective purchasers can reasonably anticipate paying for the items described.

2. Association Expenses. On Attachment 4 to this statement is our two-year projection, starting in 2021, of expenditures that will be incurred by the Association, and charged through assessments to Unit Owners. We have based the first-year budget on fifteen (15) Units being a part of the Condominium. Naturally, we cannot accurately predict the actual number because that will depend on sales and construction. Likewise, we are uncertain of the number of Units that will be in the Condominium the second year because that will depend on these same factors. We are making our projections for the second year on the basis that there will be forty-three (43) proposed Units in the Condominium. Nevertheless, we believe it desirable to provide realistic long range projections that include such costs as maintenance of the Common Elements, and such other costs, and savings, as will be the case when the Condominium is expanded to the planned forty-three (43) Units anticipated to encompass all of the 14.03± acres eventually projected to be made part of the Condominium. We believe, until then, the budget may reasonably be reduced in the proportion that the Units actually in the Condominium at any time is to forty-three (43). Our budget estimates are based on our general knowledge and experience. Following are discussions of each item and additional assumptions upon which the Association cost projections for the first year have been based:

a. Administrative.

i. Management Fee. As previously described, we intend to have the Association enter into an agreement with a professional property management company to initially manage the operations of the Association. Our estimates are based on our general knowledge of competitive prices for such work.

ii. Legal and Accounting. We believe that during the first two (2) years only routine legal and accounting and minor administrative assistance will be necessary. Our estimates are based on our general knowledge.

iii. Miscellaneous and Office Expense. The projections for miscellaneous and office expenses are based upon our general knowledge and experience of normal costs for bank charges, paper, postage, supplies, income taxes on unrelated business income, costs for Association meetings, and other miscellaneous expenditures.

b. Operating Expenses.

i. Repair and Maintenance. Our estimates are based on the fact that some continual repairs will probably be needed during the first two years, although because our warranties will cover defects in workmanship and materials, we believe this work will be minimal during that time. The projections are based on our general knowledge and experience.

ii. Grounds Upkeep. It is anticipated that the Association will contract with others to mow the green areas at regular intervals, apply lawn treatment as needed, trim trees, apply mulch, maintain the storm water facilities, and control or remove fallen leaves from the Common Elements. Anticipated costs are based on our general knowledge.

Neither the Association nor Alloway Real Estate Holdings, LLC shall have an obligation to water the sod and plant material installed within the Common Element. There are no plans to install an irrigation system to service said sod and plant material within the Common Element. Unit Owners are permitted, and encouraged, to water the sod and plant material within the Common Element near

their Unit if the Unit Owner enjoys the aesthetic benefits of such watering.

iii. Snow Removal. It is anticipated that the Association will hire a third party to perform snow removal services for the private streets and common parking areas. The Association may elect to extend snow removal services to additional areas of the Condominium. Estimates are based on our general knowledge. Naturally, costs will depend on severity of weather.

iv. Trash Removal. We presently anticipate that garbage and trash from construction activities will be removed by a private hauler at the Association's expense. Our estimates are based on current known costs for such services. In the future, trash removal for the benefit of Unit Owners will be provided by the City of Marysville as part of your charges for sewer, water, and trash services.

c. Fixed Expenses.

i. Common Water and Sewer. It is anticipated that the Association will pay bills for water service provided any Common Element areas, if any. Projections are based on current rates, normal usage, and estimates of professional property manager.

ii. Common Electric. Electricity servicing the entryway, sign, street, and common amenities including the pavilion will be metered to and paid by the Association as a common expense. Estimates are based on our general knowledge of such costs.

iii. Insurance. The estimates of the cost of insurance for the Common Elements within the Condominium are based on our general knowledge of insurance rates, and are based upon the following coverages being provided:

A. Special Broad Form Casualty Insurance. Insurance for all buildings, structures, fixtures, equipment, and common personal property constituting a part of the Common Elements or common property of the Association, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against under "special form" policies in amounts not less than one hundred percent (100%) of the current insurable replacement cost of such items (exclusive of land, foundations, footings, excavations, and other items

normally excluded from coverage). The deductible amount shall be no greater than the lesser of ten thousand dollars ($10,000) or one percent (1.0%) of the policy face amount.

B. Liability Insurance. A policy of commercial/general liability insurance covering all of the Common Elements, public ways, and any other areas under the Association's supervision in an amount no less than the greater of (a) the amounts generally required by institutional first mortgage holders, insurers, and guarantors for projects similar in construction, location, and use and (b) one million dollars ($1,000,000) arising out of a single occurrence.

C. Fidelity Coverage. A fidelity bond or policy providing coverage for the Association against dishonest acts on the part of directors, managers, trustees, employees, agents, and volunteers responsible for or handling funds belonging to or administered by the Association. Coverage shall not be less than the greater of (a) an amount equal to the Association's reserve funds plus three months' assessments on all Units and (b) the maximum amount that will be in the custody of the Association or its managing agent at any time while the bond or policy is in force.

The cost of director and officer liability insurance is not included in these estimates since that coverage is generally not available at reasonable rates so long as we control the Association.

d. Contingency. A portion of the assessments charged to Unit Owners will be designated for the purpose of paying costs that may arise and are not otherwise accounted for in the budget.

e. Community Amenities. A portion of the assessments charged to Unit Owners will be designated for the purpose of funding the maintenance and upkeep associated with the pavilion, and any other community amenity.

f. Reserves.

i. Operating Reserve. It is believed desirable to build up reserves to provide funds for operations as well as future repairs and replacements prior to incurring the aforementioned expenditures. We have provided in purchase contracts that each purchaser, at closing, will initially contribute to the Association an amount equal to eight-

hundred dollars ($800.00) ("Initial Contribution"). It is anticipated that approximately three hundred dollars ($300.00) of the Initial Contribution will be placed into the operating reserve with the balance of the Initial Contribution, approximately five hundred dollars ($500.00), reserved for future repair and replacement expenses. We believe this will provide an adequate operating reserve; however, if cash requirements in the early months of operation exceed available funds, we may advance sufficient funds to the Association, as non-interest bearing loans, to make up any shortage. This Initial Contribution is intended to create an operating reserve and a reserve for future repairs and replacement expenses, is neither in lieu of nor to be credited upon the payment of assessments levied by the Association, and is not refundable when you sell your Unit.

ii. Repair and Replacement Reserve. It is believed desirable to build up funds for future repair and replacement of capital assets and Common Elements. Our estimates are based on present costs and our estimates of the annual amount necessary to be raised for future major repairs and replacements. Periodically, we anticipate the annual amount to be set aside for this reserve may be increased to reflect increased costs. As part of the Association's budget, the Board will include an amount deemed adequate by the Board in its sole and unfettered discretion, and without vote of Unit Owners, to maintain a reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements for which cash reserves over a period of time in excess of one year ought to be maintained. Except in the exercise of the Board's discretion, the amount to be set aside for the repair and replacement reserve need not be equal to or exceed ten percent (10%) of any given year's Association budget. As stated above, it is anticipated approximately five hundred dollars ($500.00) of the Initial Contribution will be reserved for future repair and replacement expenses.

Estimates for the subsequent years, in some cases, are based upon anticipated increases in costs. Additionally, budget figures and per Unit cost estimates have been rounded, in most cases, for convenience and simplicity. Based upon these cost estimates, the estimated total monthly costs per Unit of annual expenses necessary to operate and maintain the Common Elements will be as set forth on Attachment 4. It is anticipated that these will be the monthly amounts of assessments that will be levied by the Association against the Units. Each Unit's monthly share of common expenses is calculated by multiplying the estimated total annual

common expenses by each Unit's respective interest in the Common Elements, dividing by twelve, and rounding to the nearest dollar.

3. Individual Expenses. The Owners and Occupants of each Unit will incur expenses to own and operate their Units that are not the obligation of the Association and that are not included in assessments made by the Association. On Attachment 5 to this statement is a non-exhaustive list of our projections of such expenditures. Following are the assumptions and bases for these projections:

    a. Real Estate Taxes. Under the Condominium Act we are not required to provide estimates of real estate taxes. Of course, current real estate taxes will be prorated as provided in each contract of sale. Real estate taxes will vary, depending on the valuation (probably based on the price you paid for your Unit) and the then current applicable rate, rollbacks, and availability of the homestead exemption. We suggest you contact the local county auditor and treasurer to obtain the best available information on real estate taxes. Of course, your Unit will be separately taxed for real estate purposes, and you will receive tax bills for your Unit and its appurtenant interest in the Common Elements. The Association assessments will not include amounts to pay these taxes. The Association, of course, will not have any obligation for real estate taxes.

    b. Insurance. We cannot project the monthly cost of the following insurance which would be carried by, and paid for by, the individual Unit Owner or Occupant:

        i. Liability insurance carried by the Unit Owner or Occupant concerning occurrences within an individual Unit or that Unit's Limited Common Elements. The cost of such insurance will be affected by the extent and amount of coverage desired.

        ii. Insurance for all improvements constituting a part of the Unit, as defined in the Declaration, and any built-in, installed improvement, fixture, and equipment that is part of the Unit, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against under “special form” policies in amounts not less than one hundred percent (100%) of the current insurable replacement cost of such items (exclusive of land, foundations, footings, excavations, and other items normally excluded from coverage). Fire and casualty insurance coverage carried by the Unit Owner or Occupant covering all contents and personal property owned by the Occupants of the Unit, whether such contents and personal property are located within

their Unit or in the Common Elements. The cost of such insurance will be affected by the value of such Unit, improvements, contents, and personal property and the extent of the coverage desired.

iii. Any other insurance carried by the Unit Owner or Occupant and not otherwise described in this statement.

c. Monthly Cost of Utilities. Each Unit will have its own central electric air conditioning system and gas furnace heating system, and each Unit will be separately metered by the utility companies providing said services, as well as water and sewer services. The cost of this service provided to and charged against any particular Unit will vary depending upon the habits of the Occupants of that Unit. Assuming normal usage and based upon our knowledge of rates and our general experience, we estimate the average monthly utility charges payable with respect to a Unit for these items will be as set forth on Attachment 5. Variations in thermostat settings and lifestyle may cause the Unit owners and occupants to experience greatly different monthly costs from those provided here. For example, residents who install and use ceiling fans typically experience savings over the estimates shown in Attachment 5.

The Association will receive a bill for common water and sewer service provided to the Condominium as a whole, if any. The costs for such common water and sewer services are a common expense and shall be paid from a portion of the assessments charged to Unit Owners. The charge associated with water and sanitary sewer service provided to an Owner's Unit shall be paid by the respective Owner and said expense shall not be included in the portion of the assessments charged to Unit Owners.

d. Building Maintenance. Unit Owners shall be solely responsible for the maintenance, repair, and replacement of all improvements that constitute the entirety of their dwelling unit, inside and outside, including, but not limited to, the interior of their dwelling unit and all fixtures and improvements therein as well as the dwelling unit's roof, exterior, structure, windows, screens, doors, front porch or stoop, attached garage, concrete service walk connecting the driveway and front porch or stoop, finished or unfinished basement (if any), covered or screened porch (if any), and the enclosed courtyard patio area including the concrete or paver pad, fence enclosing the courtyard patio area, and any improvements within the courtyard patio area.

e. Conversions. This is not a conversion of an existing improved development into a condominium.

G. Management.

1. Unit Owners' Association. The Association will be created as a nonprofit corporation in the State of Ohio by the filing of Articles of Incorporation with the Ohio Secretary of State prior to the time of the closing of the sale of the first Unit. We do not know of any other requirements that have to be met prior to or as a prerequisite to the creation of the Association. Each Unit Owner will be a member of the Association.
2. Voting Rights Apportionment. The Owner(s) of each Unit shall have one vote in the Association for each Unit in the Condominium owned in fee simple, and a proportionate part of a vote for ownership of an undivided fee simple interest in a Unit, based on the number of Units then in the Condominium. If upon the filing of the Declaration there are two (2) Units in the Condominium, the Owners of each Unit will be entitled to exercise 1/2 of the voting power of the Association. Once all Units are sold, the Owners of each Unit would be entitled to exercise 1/43rd of the voting power of Unit Owners. Each time the Condominium is expanded the voting power of the Owner of each Unit will be proportionately reduced.

   Regardless of the voting rights of members, until members of the Association other than us elect a majority of the Directors, we, in effect, will have the power to exercise the powers and responsibilities otherwise assigned by law or the Declaration to the Directors, the officers, and the Association.

   The Board of Directors initially shall be those three persons named as the Directors pursuant to the provisions of the Articles, or such other person or persons as may periodically be substituted by us. No later than sixty (60) days after the time we have sold and conveyed twenty-five percent (25%) of the Units (eleven (11) Units), the Unit Owners shall meet, and at that meeting the Unit Owners other than us shall elect one-third (one) of the Directors and we shall designate the other two-thirds (two) of the Directors. Said three Directors shall serve until the meeting described in the next paragraph.

   Within the earlier of (a) five (5) years from the date of the establishment of the Association, and (b) sixty (60) days after the sale and conveyance to purchasers in good faith and for value of seventy-five percent (75%) of Units (thirty-three (33) Units), the Association shall meet and all Unit Owners, including us, shall elect six (6) Directors to replace all of those Directors earlier elected or designated by the Owners or us, respectively. The terms of the six (6) Directors shall be staggered, as provided in the Declaration, so that the terms of one-third (two) of the Directors will expire and successors will be elected at each annual meeting of the Association. At such annual meetings, successors to the Directors whose terms then expire shall be elected to serve three (3) year terms.

Regardless of our right or the right of the Declarant to appoint Directors and to vote for the election of Directors, we reserve the right and option, at our sole discretion, at any time, to waive our right to select or to vote for the election of one or more Directors. In addition, notwithstanding any requirement as to the maximum time period during which Directors appointed by the Declarant or us may serve, the Declarant and we reserve the right, at any time prior thereto to have the Unit Owners elect Directors and for us to turn over the functions of operation of the Association to those elected Directors.

3. Contractual Rights and Responsibilities. We have not entered into any contract with respect to, or on behalf of, the Association by which it has rights or responsibilities. The Association is free to enter into contracts, obtain rights, and incur responsibilities to the full extent available to and permitted by condominium associations and non-profit corporations under law.

4. Condominium Instruments Binding; Amendments. The Condominium Instruments are binding legal documents. The applicable Ohio law defines "Condominium Instruments" as including the Declaration, the Bylaws, the Drawings, this disclosure statement and "all other documents, contracts, or instruments establishing ownership of or exerting control over the condominium property, or a unit". The Declaration shall be amended only in accordance with its terms.

   Amendment of the Condominium Organizational Documents requires the consent of Unit Owners exercising not less than seventy-five percent (75%) of the voting power of the Unit Owners, and the consent by "Eligible Mortgagees" whose mortgages represent a majority of the Units subject to mortgages held by Eligible Mortgagees. ("Eligible Mortgagee" means the holder of a valid recorded first mortgage on a Unit who has given written notice to the Association stating the holder's name, address, and Unit or Units subject to its mortgage.) Notwithstanding the foregoing:

   a. The written consent of all Unit Owners, including us so long as we own any Unit, in addition to the consent of Eligible Mortgagees to which at least seventy-five percent (75%) of the voting power of Units subject to mortgages held by Eligible Mortgagees appertain, shall be required for any amendment effecting a change in the following:

      i. the boundaries of any Unit or the convertibility of Units into Common Elements, or vice versa;

      ii. a Unit's undivided interest in the Common Elements or a Unit's share of the liability for common expenses;

iii. the constructions of an addition to or an expansion of a Unit into Limited Common Elements or Common Elements;

iv. a Unit Owner's voting power;

v. the fundamental purposes to which any Unit or the Common Elements are restricted; or

vi. provisions and requirements pertaining to amending the Declaration;

vii. or to impose restrictions, limitations, or prohibitions against or inhibiting the rental of any Unit or Units;

b. the consent of Unit Owners exercising not less than eighty percent (80%) of the voting power of Unit Owners, including the consent of Unit Owners other than us who hold a majority of the voting power of Unit Owners other than us, and the consent of Mortgagees on Units whose owners are entitled to exercise seventy-five percent (75%) or more of the Units subject to mortgages held by Mortgagees shall be required to terminate the Condominium;

c. we have reserved the right and power, for so long as we own any Unit, to amend the Condominium Organizational Documents, to (i) conform to the requirements then governing the making of a mortgage loan or the purchase, guaranty, or insurance of mortgages by an institutional lender or an institutional guarantor or insurer of a mortgage on a Unit, provided that the consent of the appropriate percentage of Eligible Mortgagees is obtained (if required), or (ii) correct typographical errors or factual errors or omissions the correction of which would not impair the interest of any Unit Owner, Mortgagee, insurer, or guarantor, provided, further, that if there is a Unit Owner other than us, the Declaration shall not be amended to increase the scope or the period of control by us. If the Condominium has been approved by the Department of Veterans Affairs, such amendment (except amendments expanding or aiding in the expansion of the Condominium) must be approved by the Secretary of the Department of Veterans Affairs; and

d. the Board, without a vote of Unit Owners or the approval of Mortgagees, may amend the Declaration in any manner necessary for any of the following purposes:

i. to meet the requirements of institutional mortgagees, guarantors, and insurers of first mortgage loans, or the requirements of insurance underwriters;

ii. to bring the Declaration into compliance with the Condominium Act;

iii. to correct clerical or typographical errors in the Declaration or an exhibit or amendment hereto; and

iv. to designate a successor to the person named to receive service of process for the Association, provided, the naming of a successor need not be by amendment hereto if the change of statutory agent is appropriately filed with the Ohio Secretary of State.

e. in addition to the consent of Unit Owners set forth above, any addition to, change in, or amendment of the Condominium Organizational Documents of a material adverse nature to Mortgagees must also be agreed to by Mortgagees on Units whose owners are entitled to exercise fifty-one percent (51%) or more of the voting power of owners of Units that are subject to mortgages; provided, the expansion of the Condominium as provided in the Condominium Organizational Documents shall not be considered to be material adverse to Mortgagees and any amendment provided for under sub-items (c) and (d) above shall not be considered to be material adverse to Mortgagees.

H. **Management Contracts**. The Association has not entered into any management contract or other agreement affecting the operation, use, or maintenance of or access to all or any part of the Condominium; however, as mentioned, it is our present intention to have the Association, when it is formed, enter into a contract with a professional property manager that will not extend beyond one (1) year after Unit Owners other than us control the Association.

I. **Statement of Purchaser's Rights**. Attached hereto, marked "Attachment 1", and made a part hereof, is a statement, in conspicuous boldface type, as required by Section 5311.26(J) of the Condominium Act, of purchasers' rights to review the Condominium instruments, 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. **Repair or Replacement Reserves**. The Declaration requires the establishment of a reserve for repairs and replacement of the components of the Common Elements to which annual contributions must be made. The estimated amounts to be placed in such reserve during the first two (2) years of operation and the criteria for determining the amounts to be put in this reserve have been previously described. These reserves are not

required to be maintained in a separate "fund" apart from the general funds of the Association, although we believe it desirable to do so.

K. Encumbrances, Easements, Liens, and Matters of Title. Title to the Condominium Property is or may be subject to one or more mortgages. Any such mortgage will be released or subjected or subordinated to the Declaration, Bylaws, and Drawings of the Condominium prior to the closing of the sale of any Unit. Additionally, each Unit and its appurtenant interest in the Common Elements will be released from the lien of all mortgages (other than a mortgage or mortgages obtained by a purchaser), at the time of the closing of the sale of that Unit.

The Condominium is or will be subject to the easements and encumbrances described in "Attachment 6." Although we do not believe that any of these easements or restrictions will unreasonably interfere with the proposed use of the property as a residential condominium, we recommend, and encourage, each prospective purchaser to review the various easement and restriction documents.

As previously mentioned, real estate taxes not due and payable at the time of closing will be a lien on a Unit at the time of the closing of the sale of the Unit. Each purchase contract with respect to a Unit sets forth the specific agreement between us and the purchaser regarding all taxes and liens.

Except in our capacity as a Unit Owner of unsold Units, and the reservation of the easement rights with respect to the additional property previously mentioned, neither we nor any agent of ours will retain a property interest in the Common Elements.

EACH PURCHASER IS URGED TO READ AND STUDY THE CONDOMINIUM ORGANIZATIONAL DOCUMENTS, BECAUSE OWNERSHIP AND USE OF EACH UNIT WILL BE SUBJECT TO THE ENCUMBRANCES, EASEMENTS, LIENS, AND AGREEMENTS SET FORTH THEREIN.

L. Escrow of Deposits. Except to the extent used for actual construction and development costs, any deposit or down payment made in connection with a sale will be held in trust or escrow until delivered at closing, returned to or otherwise credited to the purchaser, or forfeited to us. If a deposit or down payment of more than Two Thousand Dollars ($2,000) is not used for construction and development costs and is instead held in trust or escrow for more than ninety (90) days, interest for any period exceeding ninety (90) days on the amount so held in excess of Two Thousand Dollars ($2,000) shall accrue at a rate equal to the prevailing rate payable by federally insured financial institutions in Union County on daily interest accounts and shall be credited to the purchaser at closing or upon return or other credit made to the purchaser, or added to any forfeiture to us.

Deposits and down payments held in trust or escrow shall not be subject to attachment by creditors of us or a purchaser.

M. Restraints on Alienability. There are no restraints on the free alienability of all or any part of the Condominium.

N. Litigation. There is no litigation currently in progress concerning the Condominium.

O. Declarant Responsibilities. We will assume the rights and obligations of a Unit Owner in our capacity as Owner of Units not yet sold, from the time of the closing of the sale of the first Unit.

Very truly yours,

Alloway Real Estate Holdings, LLC