

RECEIPT

The undersigned, _____

_____, hereby
acknowledge[s] receiving from Victorian Gate Conversion Company LLC a readable and
understandable written statement disclosing all material circumstances and features affecting
Victorian Gate Condominiums, a mixed-use residential and commercial condominium
development located on N. High Street, Columbus, Franklin County, Ohio, as required by
§5311.26 of the Ohio Revised Code.

Date: _____

Note: Signing this Receipt does not obligate you in any way, but is merely evidence that
Victorian Gate Conversion Company LLC has complied with the requirements of Ohio law to
provide you with certain information.

VICTORIAN GATE CONDOMINIUMS
BY VICTORIAN GATE CONVERSION COMPANY LLC
CONDOMINIUM DISCLOSURE STATEMENT
EFFECTIVE: AUGUST 10, 2005

**VICTORIAN GATE CONDOMINIUMS
CONDOMINIUM DISCLOSURE STATEMENT**

INTRODUCTORY INFORMATION

Victorian Gate Conversion Company LLC, an Ohio limited liability company (the “Developer”), submits this document, with its exhibits and attachments, to all prospective purchasers of units of Victorian Gate Condominiums (the “Condominium”) as a statement of all material circumstances or features affecting the Condominium. This statement is based on and contains the most recent and accurate information available to the Developer as of the date indicated on the cover page hereto. The Developer reserves the right to amend or supplement this statement from time to time, however, to reflect changes in plans or projections or to include more recent or accurate information. All exhibits and attachments to this Disclosure Statement are part of the statement and are incorporated herein by this reference

The Condominium was created by filing for record a declaration of condominium submitting the relevant real estate, with all of its improvements and appurtenances, to the provisions of Chapter 5311 of the Ohio Revised Code (the “Condominium Act”). The Declaration of Victorian Gate Condominiums (the “Declaration”) was filed for record as Instrument Number 200503210051286 in the Office of the Recorder of Franklin County, Ohio, and includes drawings which generally show the layout, location, designation and dimensions of the various structures and improvements on the condominium property, as constructed, and which are certified by a registered surveyor and either a registered architect or a licensed professional engineer. The condominium drawings were recorded as Instrument Number 200503210051287, in Condominium Plat Book 145, beginning at page 90. All references herein to the Condominium Act or to any section of Chapter 5311 of the Ohio Revised Code shall refer to Chapter 5311 of the Ohio Revised Code as it was in effect on the date the Declaration was recorded.

DISCLOSURE

A. Developer Information

The Developer’s address and telephone number are Victorian Gate Conversion Company LLC, 109 South High Street, Dublin, Ohio 43017, (614) 761-8702. The name, address and telephone number of the person who is managing and directing the actual development of the Condominium is:

Patrick M. Grabill
109 South High Street
Dublin, Ohio 43017
Phone Number: (614) 761-8702

The address of the Developer's sales office for the units of the Condominium and the name of its principal sales agents in that office are:

663 North High Street
Columbus, Ohio 43215
Attn: Ronnie Phillips and Deborah Rodenfels
Phone Number: (614) 221-8444

The name, address and telephone number of the initial property manager of the Condominium Property are:

The Case Bowen Company
5975 Wilcox Place
Dublin, Ohio 43016
Attn: Kevin R. Friend
Phone Number: (614) 799-9800 ext. 30

B. Narrative Description of Condominium

Victorian Gate Condominium was created by converting into condominiums an apartment complex previously known as Victorian Gate Apartments ("Victorian Gate"). Victorian Gate has been an actively occupied apartment complex since its completion in the mid-1990s. The Victorian Gate Condominium complex includes 163 units located West of North High Street, Columbus, Franklin County, Ohio. The Condominium is located on three (3) parcels of adjacent land (separated by one or more public streets) containing approximately 3.441 acres of land, more or less, in the aggregate (the "Condominium Property"). The Condominium Property includes eight (8) buildings (two (2) of which are parking garages). The street address of the units are set forth on **Exhibit B**.

Vehicular access to and from the units of the Condominium is by way of public streets known as High Street, Park Street, West Lincoln Street, W. Russell Street, N. Wall Street and Buttles Avenue.

The property surrounding the Condominium is generally developed with small businesses such as art galleries, restaurants and clothing boutiques and multi-family residential buildings. Police protection, fire protection, water and sewer services for the Condominium is provided by the City of Columbus, Ohio. The Condominium Property is located in the Columbus School District, although there are a number of private schools located in the Columbus area.

There will be no expansions or additions to the Condominium and there is no provision for the merger of the Condominium with any other condominium.

The development density of the Condominium is approximately 47 units per acre.

The Declaration generally describes each unit of the Condominium to be the area of space (and certain improvements and fixtures located within that area) bounded by the interior

surfaces of the most interior structural members of the unit's perimeter walls, floors and ceilings. Windows and doors in the perimeter walls of each unit are included as part of the unit. With the exception of supporting walls, fixtures, equipment, installations, apparatus and other parts of the building that exist for the common use or are necessary for the existence, maintenance, safety or comfort of any other part of the condominium property, all parts of the building that are within the boundaries of a unit generally are part of the unit. Those excepted improvements and all other structures and improvements on the Condominium Property that are outside the boundaries of the units, together with the land itself, make up the common elements of the Condominium. In general, then, the land and most of the structures and other physical elements of the Condominium are classified as its common elements, while each unit consists principally of the exclusive right to occupy and use a certain area of space and certain improvements and fixtures located within that space.

The buildings on the Condominium Property have wood framing, brick and stucco exteriors with some vinyl siding and wood trim and a combination of flat rubber roofs and hip and gable roofs with asphalt shingles. There are no basements.

Attached as **Exhibit B** is a chart setting forth the unit-type classification of each unit, the identification number for each of the units in the Condominium (which is the same as its street address), each unit's par value, the percentage of interest in the common elements that has been allocated to each unit based upon each unit's relative par value (where necessary, one or more of the units has been assigned a slightly higher percentage interest so that the sum of all percentage interests equals exactly 100.00%), and the offering price of each unsold unit. Please note that the par value and percentage interest in the common elements for units may change from time to time as unit owners record amendments to the Declaration to re-allocate limited common elements and/or to convert units as provided for in the Declaration and as discussed further in this Disclosure Statement.

Detailed plans, drawings, and specifications relating to the Condominium are on file with and available for inspection at the Developer's sales office. Prospective purchasers are invited to examine those documents.

The purchaser of a unit of the Condominium will own his unit in fee simple absolute. That means that he or she will own an estate or interest in real property that potentially exists in perpetuity and can be sold, transferred by will or intestate succession, or otherwise conveyed or transferred to another person or entity. In addition to owning the area of space and tangible improvements that make up the unit, each unit owner will also own an undivided percentage interest in the common elements of the Condominium as tenants in common with the owners of all other units. It should be noted that some parts of the common elements are designated as limited common elements, which means that although they are commonly owned, they are reserved for the exclusive use of the owner[s] of the unit or units to which they are attached or assigned. The right of a unit owner to the exclusive use of limited common elements is linked to ownership of the unit, and that right automatically transfers to subsequent owners of the relevant unit at the time of sale of the unit. Limited common elements consist primarily of sidewalks leading exclusively to the door of a unit, steps and stoops leading to unit doors, balconies, enclosed parking garages, and for some units,

attached parking garages. The Declaration permits unit owners to reallocate rights to the use of limited common elements in accordance with § 5311.032 of the Ohio Revised Code.

As previously disclosed, the Condominium Property includes two buildings which contain a total of 18 parking garage spaces and no units. Additional parking garage spaces are located in the buildings which contain units. The parking garage spaces have been assigned to units as limited common elements as set forth in the Declaration. All garage parking spaces have been designated limited common elements and, although they are commonly owned, they are reserved for the exclusive use of the owner[s] of the unit to which they are assigned. The majority of the enclosed parking garage spaces were assigned as limited common elements to Unit 33 Buttles. The Developer anticipates reallocating to one or more other units, the parking garages which were originally assigned as limited common elements to Unit 33 Buttles.

Because the parking garage spaces are located within buildings, the Association (as hereinafter defined) shall incur additional expenses for the maintenance, repair and replacement of the structures containing the parking garage spaces. Therefore, the par value of each unit to which one or more parking garage spaces are assigned as a limited common elements includes an additional amount equal to 0.1 multiplied by the number of parking garage spaces assigned to the unit as limited common elements. The Declaration provides that any amendment to be filed pursuant to Section 5311.032 of the Ohio Revised Code for the purpose of reallocating limited common elements shall include a re-allocation of par value among the units which are the subject of the amendment, such that the par value of the unit losing the parking garage space(s) shall be decreased by an amount equal to 0.1 multiplied by the number of parking garage spaces lost, and the par value of the unit gaining the parking garage space(s) shall be increased by an amount equal to 0.1 multiplied by the number of parking garage spaces gained. This reallocation of par value shall effect a reallocation of common element interests between the affected units.

The majority of the units in the Condominium are restricted for use for residential purposes. However, the Declaration permits the following Units, and only the following Units, to be used for residential purposes and/or for the operation of a primary professional/quasi-professional office (non-retail) in accordance with all applicable zoning codes: 3 Lincoln, 5 Lincoln, 7 Lincoln, 9 Lincoln, 2 Victorian Gate Way, 3 Victorian Gate Way, 4 Victorian Gate Way, 5 Victorian Gate Way, 6 Victorian Gate Way, 7 Victorian Gate Way, 8 Victorian Gate Way, 9 Victorian Gate Way, 2 Russell, 4 Russell, 6 Russell and 8 Russell. Additionally, the Declaration designates units 647 High, 663 High and 677 High as “commercial units.” Commercial units may be used as an office or sales area for business, professional, restaurant or retail purposes, and uses customarily incidental thereto. All commercial units shall be “convertible units.” All non-commercial units shall initially be convertible units and shall remain convertible units so long as they are owned by the Developer. However, all non-commercial units shall automatically cease to be “convertible units” upon the transfer of title to the unit by Developer. All or any portion of a convertible unit may be converted into one or more units or common elements, including limited common elements. The Developer has amended the Declaration, or is in the process of amending the Declaration, to combine the following units by conversion: 2 and 4 Victorian Gate Way; 3 and 5 Victorian Gate Way; 6 and 8 Victorian Gate Way; and 7 and 9 Victorian Gate Way.

The Declaration permits the owners of adjacent units (adjacent horizontally or vertically) to relocate boundaries between the units and to reallocate undivided interests in common elements, all in accordance with § 5311.031 of the Ohio Revised Code. All unit owners have a permanent easement and right to penetrate the common elements which separate adjacent units for the purposes of constructing and installing doors and/or stairways to connect such units for the purpose of combining units or otherwise relocating boundaries between adjacent units, provided that such construction and installation does not in any way impair the structural integrity of the Condominium Property, and provided that all relevant procedures set forth in the Declaration, Bylaws and/or the rules and regulations promulgated by the Board (as hereinafter defined), are followed.

The Condominium Property contains approximately 106 outdoor, uncovered parking spaces, some of which may be designated as restricted handicapped parking. Additional, metered, on-street parking is available on some of the public streets immediately adjacent to the Condominium Property. Unit owners can obtain through the Association special passes from the City of Columbus which grants them the right to utilize these on-street parking spaces without paying the metered fees during certain posted hours.

Each unit is separately metered for utilities, with the exception of water. Water service to the Condominium Property is master-metered. However, the Association shall engage the services of a private contractor who will sub-meter the water service on behalf of the Association. On a periodic basis each unit owner will receive a water bill from the Association or its contractor. The Declaration provides that such bills, whether sent directly by the Association or by the Association's contractor, constitute a special unit assessment, and that the Association has the right to exercise any remedy available to it under the Declaration or Ohio law to collect past due water bills.

The Declaration establishes certain restrictions on the use of the Condominium Property that are similar to those imposed on good condominium projects. For example, except as previously noted, the use of a non-commercial unit for commercial purposes is generally prohibited; no waste, nuisance, or noxious or offensive activity may be committed or allowed; trash and garbage disposal are controlled; exterior signs and open fires are limited; temporary buildings or structures are prohibited; the parking of all vehicles (including the number and size of vehicles) is regulated; no animals may be kept on the Condominium Property other than a reasonable number of dogs, cats, and other reasonable household pets in each unit, that are not kept for commercial purposes and are subject to any rules and regulations adopted by the Board of Directors (as hereinafter defined), and that may be banned from the Condominium Property if they are determined to be a nuisance in the Board's reasonable discretions; and most construction on and about the condominium property, including any changes to a unit that might impair the structural integrity of any building or other improvement (expressly excluding repairs and replacements of appliances located in the unit and of other non-structural aspects of the unit), must first be approved by the Board of Directors or its designated representative. Owners of commercial units are allowed to make any use of the unit permitted pursuant to applicable zoning regulations. The reader is directed to the Declaration for a more detailed discussion of all such use restrictions. Prospective purchasers are also hereby placed on notice that the use of the common elements of the Condominium and the conduct of unit owners and their guests on the Condominium Property are subject to all rules and

regulations promulgated by the Board of Directors of the Association (as hereinafter defined), whether now in effect or becoming effective in the future.

C. General Disclosures

1) Status of Construction, Zoning, Site Plan and Governmental Approvals. A site plan of the Condominium Property is attached hereto as **Exhibit A**.

As previously mentioned, the Condominium Property consists of eight (8) buildings. The buildings were constructed from approximately 1992-1994. Some units may have been or may be renovated. Some of the buildings and/or units may have undergone, or be undergoing, some repair work to correct issues discovered in connection with the Developer's acquisition of the Condominium Property, and/or in connection with renovation work.

2) Compliance with Statutes and Regulations. Unless otherwise noted herein, to Developer's knowledge the Condominium conforms with and meets the requirements of all applicable federal, state and local building statutes and regulations. The Developer has not been notified by any governmental authority that it has failed to comply with any federal, state or local statutes or regulations affecting the Condominium, except that the Developer's predecessor in interest was named as a defendant in a housing discrimination charge (the "Discrimination Charge") filed with the Department of Housing and Urban Development pursuant to the Fair Housing Act (including the Fair Housing Amendment Act of 1988 and any regulations, rules or guidelines implemented pursuant thereto), and the Ohio Civil Rights Commission (the "OCRC") pursuant to Chapter 4112 of the Ohio Revised Code, by Lynn M. Clark and Fair Housing Contract Service against Seller, et al., regarding Victorian Gate (see OCRC (COL) H1092303 (30662) 1001031; 05-03-1160-8; Inquiry #158758). At the request of the Developer's predecessor in interest, the Discrimination Charge was forwarded to the Ohio Attorney General (the "OAG") for prosecution in a civil case rather than an administrative action in front of the OCRC. A civil action was filed in the Franklin County Common Pleas Court by the OAG in late May of 2005 as case number 05CVE-05-5750 (the "Civil Action"). Shortly thereafter the Discrimination Charge before the Ohio Civil Rights Commission was dismissed. At the closing of the Developer's purchase of the Condominium Property from its predecessor in interest, the parties executed a Reimbursement, Indemnification And Hold Harmless Agreement pursuant to which the Developer's predecessor promised to pursue the Discrimination Charge through its final resolution (including pursuing the Civil Action), and to pay for any modifications required to be performed within the common elements of the Condominium Property or any unit as a result of the Discrimination Charge or the Civil Action.

As a result of the Discrimination Charge, an investigator for the OCRC authored a draft Conciliation Agreement And Consent Order (the "Conciliation Agreement") which recommended that certain modifications be made to the common elements within the Condominium Property and in residential units located at the following addresses: 37 W. Lincoln Street, 41 Lincoln Street, 29 Buttles Avenue, 732 Park Street, 674 Park Street, 670 Park Street, 660 Park Street, 38 Russell Street, and 14 Victorian Gateway (each a "Conciliation Unit", and collectively the "Conciliation Units"). The Conciliation Agreement was never executed. In conjunction with the Civil Action the OAG issued a draft Settlement Agreement which appears to be based on, and closely tracks the Conciliation Agreement. However, it is not clear from the

Settlement Agreement whether or not the corrective actions required thereunder are applicable only to the Conciliation Units, or to all units which are of the same type as the Conciliation Units. It is notable, though, that most of the corrective actions set forth in the Settlement Agreement are required to be undertaken only in the event that the particular unit in question is rented to, or is proposed to be rented to, a disabled tenant. Furthermore, one or more of the corrective actions, such as the replacement of exterior door hardware, may have already been accomplished as part of the Developer's work on the Condominium Property. The Settlement Agreement proposes that the Developer's predecessor in interest establish an escrow fund of \$25,000 for a period of five years, during which time unit owners who are required to take corrective actions within their units as a result of the Settlement Agreement may make a claim for the reimbursement of those costs from the escrow fund.

It is the Developer's understanding that as a result of the Civil Action, (i) the Settlement Agreement could ultimately be agreed-upon in its current form and the Civil Action resolved thereby, or (ii) a modified settlement agreement could be agreed-upon, or (iii) the Civil Action could be pursued to completion and a court order detailing required modifications to the Condominium Property and units therein issued, or (iv) the Civil Action could be dismissed, although this last possibly is believed to be unlikely. It is also the Developer's understanding that in the event that either the previously mentioned item (ii) or (iii) occurs, the modified settlement agreement or the court order, as the case may be, could require modifications within dwelling units other than the Conciliation Units, but that only those units which are both first floor units and one-story units are potentially the subject of the Civil Action.

Upon execution of a contract to purchase a Conciliation Unit, the purchaser shall be offered the opportunity to elect to have the Developer perform the modifications set forth for the specific Conciliation Unit in Exhibit A to the Settlement Agreement prior to closing and at no additional cost to the purchaser. Each purchaser who is interested in purchasing a Conciliation Unit, or any other first floor, one-story unit is encouraged to review the Discrimination Charge, the Conciliation Agreement, the Civil Action and the Settlement Agreement, (copies of which are on file in the Developer's office and are available for review in the Developer's office upon request) and to consult an attorney concerning any questions the purchaser has concerning those issues. The Developer does not make any representations or warranties with regard to the potential outcome of the Civil Action or the extent to which any modifications to the Condominium Property or any unit may be required as a result of the Civil Action.

3) Scheduled Completion Date. The Condominium Property was "converted" upon the recording of the Declaration.

4) Recreation Facilities. The Developer constructed within Unit 33 Buttles a work-out facility to be operated by the Association at the Association's expense. This facility, which is now open or will open in the near future, is leased by the Developer (without any rights to its limited common element garage parking spaces, if any) to the Association at an annual rental rate equal to Unit 33 Buttles' share of the annual assessments plus Unit 33 Buttles' annual real estate taxes. The Developer anticipates offering Unit 33 Buttles, without any parking garage spaces as limited common elements, for sale to the Association at a purchase price of \$1.00 upon or near completion of the Developer's involvement with the Condominium.

5) Site Improvements. The only other improvements that are part of the Condominium are those incidental to the eight (8) buildings. They include the storm and sanitary sewer lines, private waterlines, electric lines, gas lines, parking areas, courtyard areas, and other common elements as described above.

D. Financing Offered by Developer

A unit may be purchased solely with cash provided by the purchaser or may be financed in part through a mortgage loan or other financing. The selection of a lender is entirely at the discretion of the purchaser. All purchasers are hereby notified that they may seek to obtain loans to finance their purchases of units from the bank, savings and loan association, mortgage company, credit union or other financial institution of their choice. Although the Developer has not made any arrangements with any financing institutions for the offering of financing to prospective purchasers by or through the Developer, the Developer has a relationship with Fifth Third Bank and has made a request for Fifth Third Bank personnel to be available specifically for the purpose of working with potential purchasers of Victorian Gate Condominium to arrange financing. These bank personnel may be contacted by calling one of the sales agents on site and arranging for an appointment. The sales agents' phone numbers are on page 3 of this document.

E. Warranties

Subject to the requirements and limitations of the remainder of this section, everyone who purchases a unit of the Condominium from the Developer will receive the following warranties: (1) the Developer will pay the full cost of labor and materials required for any repair or replacement of structural, mechanical and other elements pertaining to the unit that is purchased, provided that those repairs or replacements are occasioned or necessitated by a defect in materials or workmanship, for a period of one year following the date when the deed conveying the unit from the Developer to the purchaser is filed for record; and (2) the Developer will pay the full cost of labor and materials required for any repair or replacement of any other improvement that is a part of the Condominium, provided that those repairs or replacements are occasioned or necessitated by a defect in materials or workmanship, for a period of two years following the date when the first deed or other evidence of ownership is filed for record following the sale of the first Condominium ownership interest in the development to a purchaser in good faith for value. With respect to the two-year warranty relating generally to the common elements of the Condominium, the purchaser is cautioned that the warranty period will begin to run on the improvements of the Condominium when the first deed conveying a unit to a bona fide purchaser for value is filed for record. Consequently, the warranty period applicable to subsequent purchasers will only extend for the remainder of that two-year period.

All express and implied warranties made to or received by the Developer from the manufacturer or supplier of any ranges, refrigerators, washing machines, clothes dryers, hot water heaters, dishwashers and other similar appliances included as part of a unit will be assigned to the purchaser of that unit. Notwithstanding the provisions of the first sentence of the preceding paragraph, the Developer will not be responsible for the cost of any labor or materials required for the repair or replacement of such appliances. Within the Declaration the Developer will also assign to the Association all warranties, if any, made to or received by the Developer with respect to any part of the common elements of the Condominium that exceed the time periods specified in the first

sentence of the preceding paragraph. The Developer will further assign solely to the purchaser[s] of each unit of the Condominium all other warranties made to or received by the Developer that pertain to that unit and that exceed the time periods specified in the first sentence of the preceding paragraph. It should be noted that this assignment of warranties is mandated by §5311.25(E)(5) of the Ohio Revised Code and the Developer is not responsible if that assignment causes any warranty to be voided or renounced by the original contractor, manufacturer or supplier. The Developer has not been notified, however, that the assignment of any warranties will cause any of them to be nullified or renounced. Notwithstanding the foregoing, at closing Developer will provide purchasers with a HomeGuard warranty with respect to appliances included as part of the unit.

The warranties described in the foregoing paragraphs will be formally made in the Agreement For Sale Of Condominium Unit between the Developer and each purchaser of a unit of the Condominium, and an executed copy of these limited warranties will be provided to each purchaser at closing. That agreement will also provide that the purchaser shall give the Developer written notice of all defects that he believes are covered by the warranties prior to the expiration of the applicable warranty period, and that the Developer will be afforded the initial opportunity to perform any necessary repairs or make any necessary replacements. Further, within that document each purchaser shall acknowledge and agree that the common elements of the Condominium Property, as well as those portions of the unit being purchased (including, without limitation, fixtures and appliances) which are not replaced by the Developer prior to closing, are used and have experienced wear and tear, and that defects attributable to wear and tear do not constitute defects in materials and workmanship.

The foregoing warranties are limited express warranties and will be given in lieu of any other warranties, either express or implied, which otherwise might apply to the Condominium or any unit therein except to the extent, if any, that such limitation or exclusion is unlawful. The Developer denies liability and responsibility for incidental or consequential damages relating to any defect in materials or workmanship that is covered by said warranties except to the extent, if any, that such exculpation is not permitted by law. Prospective purchasers are warned that except for the Real Estate Purchase Agreement between the Developer and each purchaser, the purchaser will be relying solely upon his examination of this Disclosure Statement, the plans and specifications relating to his unit, the unit itself and all portions thereof, and the Condominium Property itself for confirmation of the size, location, condition and character of the building and other improvements that will comprise part of the Condominium and their fitness for any particular purpose.

F. Two-Year Budget Projection

As is required by §5311.26(F) of the Ohio Revised Code, the Developer has attached to this statement as **Exhibit C** certain projections of the total annual expenditures necessary to operate and maintain the common elements of the Condominium and the monthly costs attributable to each unit for those expenditures. Those projections cover a two-year period beginning on the date that the Condominium first comes into existence. The reader is warned that those projections are only estimates and that the actual expenditures of the Association may be higher or lower because of the actual number of units in the Condominium during that period, later decisions by the Board of Directors, inflationary factors and other unanticipated or extraordinary factors. The Developer does

not guarantee or warrant that the actual expenditures of the Association will be the same as the projections set forth in Exhibit C.

One of the specific responsibilities of the Board of Directors is to obtain public liability and hazard insurance for the benefit of all members of the Association. Specifically, the Declaration and/or Bylaws (as hereinafter defined) require the Board (as hereinafter defined) to obtain, in such amounts as it deems advisable, insurance for the benefit of all unit owners, their tenants and all persons lawfully in possession or control of any part of the Condominium, including officers and employees of the Association and members of the Board, against liability for death, personal injury and property damage arising from or relating to the common elements (but not liability arising from or relating to individual units, which claims shall be the responsibility of the unit owners themselves). The Board is also required to obtain, for the benefit of all unit owners, insurance on the buildings and all other structures of the Condominium including fixtures and equipment located within units and not associated with the operation of a business therein, against fire and those hazards ordinarily insured against in fire and extended coverage policies in Franklin County, Ohio in amounts at all times sufficient to prevent the unit owners from becoming co-insurers under the terms of any applicable co-insurer clause or provision and not less than the actual replacement cost of such buildings and structures, exclusive of the cost of land, foundations, footings, excavation and other items normally excluded from coverage, as determined at the time that the coverage commences and from time to time thereafter by the insurer. Proceeds payable by reason of an insured loss under the hazard insurance policy must be paid to the Association, which will hold the same as trustees for the benefit of the insureds thereunder as their respective interests may appear. Such proceeds generally will be utilized to pay the cost of repairing or restoring the damage or destruction. The Board is also required to obtain fidelity insurance coverage on all persons handling Association funds in amounts deemed reasonably necessary by the Board to protect against substantial losses. Finally, the Board is authorized (but not required) to obtain contractual liability insurance, trustees' and officers' liability insurance, and such other insurance as the Board may determine is necessary or appropriate, all in such amounts as the Board may determine is necessary or appropriate.

Each unit owner is required to insure fixtures and built-ins installed by it within the unit.

The unit owners of the Condominium are not be required to be members of any not-for-profit organization that may provide facilities or recreation, education, or social services to owners of property other than the Condominium Property.

G. Conversion Condominium

The Condominium is a "conversion condominium development" as that term is defined in the Condominium Act.

The following is the Developer's report of the age, condition and the Developer's opinion of the remaining useful life of the structural elements, the mechanical systems and the supporting systems of the Condominium, as is required by §5311.26(G) of the Ohio Revised Code:

The structural elements of the Condominium property, including the slab on grade foundations, the wood frame walls, floor systems and roof systems, range in age from 3 to 11 years old, and are in good and structurally sound condition. The foundations, the wood frame walls and the flooring systems are anticipated to have an indefinite remaining useful life expectancy assuming normal wear and tear and proper maintenance as needed. The Developer is performing, or has had performed, work to repair roof leaks that were discovered at the time the Developer purchased the Condominium property. The roofs are anticipated to have a useful life expectancy of approximately 17 years from February 1, 2005, assuming normal wear and tear and proper maintenance as needed. The mechanical and supporting systems of the units (*e.g.*, HVAC units, water heaters, *etc.*) range in age from new to 11 years old, and unless otherwise noted herein all are in serviceable condition and have an anticipated remaining useful life expectancy, assuming regular maintenance and normal wear and tear, of at least 5 years as of February 1, 2005.

This report is based upon facts reasonably ascertainable by the Developer through the inspection of relevant drawings and records and, to the extent permitted by the physical limits of the Condominium Property, by personal inspection of the elements and systems. The Developer was unable to perform a detailed inspection of (i) the building foundations because the foundations are slab on grade, or (ii) the flooring systems and the general building frames because finish material render those systems inaccessible.

As further required by §5311.26(G) of the Ohio Revised Code, attached hereto as **Exhibit D** is the Developer's estimate of repair and replacement costs for the structural, mechanical and supporting systems of the Condominium, projected for five (5) years from the date that the Condominium Property is submitted to the Condominium. The reader is warned that those cost projections are only estimates and that the actual costs may be higher or lower because of decisions by the Board of Directors, inflationary factors and other unanticipated or extraordinary factors. The Developer does not guarantee or warrant that the actual costs of the repair and replacement of these items will be the same as the projections set forth in **Exhibit D**. Please note that some of the projected costs of repair are the responsibility of the Association (roof repairs, for instance), and some are the unit owner's individual responsibility (heating units, for instance). Additionally, some of the expenses shown may be covered by the Developer's limited warranty. Therefore, is not possible to estimate the projected costs on a "per unit" basis. An individual unit owner could incur no expense for maintaining the mechanical and supporting systems of his/her unit during the next five years, or he/he could incur significant expense if his/her HVAC system, hot water heater, or other support system elements require significant repairs or replacement which are not covered under warranty.

The offering price of each unsold unit is set forth in **Exhibit B**.

H. General Management of Condominium

1) Creation of Association. The responsibility for administering and maintaining the common elements of a condominium is vested in its unit owners' association. The scope of authority of the Victorian Gate Condominiums Association (the "Association") and guidelines for its structure and activities are contained in the Declaration and in the attendant Bylaws of the Association (the "Bylaws") that are attached to and were filed for record as part of the Declaration.

The Association came into existence automatically upon the earlier of (a) the filing of the Declaration, and (b) its incorporation with the Ohio Secretary of State, and began functioning no later than the date when the deed was filed for record to evidence the first closing of a sale of a unit of the Condominium. The Association was incorporated as a non-profit corporation pursuant to Chapter 1702 of the Ohio Revised Code and is governed by the Bylaws. The principal purpose for which the Association was formed is to administer and maintain all common elements of the Condominium. The membership of the Association is comprised of owners of units of the Condominium and all unit owners are required to be members. The Declaration and the Condominium Act require that each unit owner provide current contact information, as provided therein.

The Association is governed by a Board of Directors (the "Board of Directors" or the "Board") who must be unit owners, the spouses of unit owners, or in the case of unit owners who are not individuals, principals, members, partners, directors, officers or employees of that unit owner. The Board initially consisted of those three (3) persons named in the Articles of Incorporation or such other persons as may be substituted for any of them by the Developer from time to time. No later than sixty (60) days after the Developer sold units that collectively have at least 25% of the total undivided percentage interests in the common elements, the unit owners were required to meet and a new Board was elected with the unit owners other than the Developer having the right to elect one of the three new members and the Developer retaining the right to appoint the remaining two members. This election took place on July 28, 2005.

Within sixty (60) days after the earlier of (a) three (3) years from the date of the establishment of the Association, and (b) the sale and conveyance, to purchasers in good faith and for value, of units that collectively have at least 75% of the total undivided percentage interests in the common elements, the Association will meet and from that time on the Board shall consist of five (5) members. At that meeting all unit owners, including the Developer, will elect five (5) Board members to replace all of those Board members earlier elected or designated by the unit owners or the Developer, respectively. The Board members elected at this meeting shall take office at the end of the meeting during which they are elected and shall, as soon as reasonably possible, elect officers. The terms of the five (5) Board members will be staggered so that the terms of at least one-fifth (1/5) of the Board members will expire and their successors will be elected at each annual meeting of the Association. Thereafter, at such annual meetings, successors to the Board members whose terms then expire will be elected to serve three-year terms.

Regardless of the right to designate Board members that is reserved by the Developer in the Declaration, the Developer has the option of waiving those rights at any time. If the Developer does waive its right to designate one or more Board members, the unit owners other than

the Developer will meet and elect the members of the Board that otherwise would have been designated by the Developer.

The officers of the Association include a President, a Secretary, a Treasurer, and such other officers as the Board may elect. Only the President is required to be a member of the Board. The officers are elected by the Board of Directors and hold office at the pleasure of the Board. Any two or more offices may be held by the same person. The general responsibilities of the officers are to assist the Board in conducting the affairs of the Association and to undertake any specific duties that may be assigned to them by the Board.

The Board has all of the powers provided to it in the Declaration and Bylaws and under the Condominium Act. These powers shall include, but are not be limited to, (i) the power to pass reasonable rules and regulations to enforce the Declaration and Bylaws, to regulate the use of the common elements, and to protect the health, safety and welfare of the Condominium Property and unit owners, and (ii) the power to establish fines and late fees, and to tow vehicles.

All expenses of the Association, including without limitation grounds maintenance, gutter cleaning, snow removal, trash removal, premiums for the above-described insurance policies, legal and accounting expenses, common area lighting expenses, the cost of maintaining the common elements and (including exclusive use areas) limited common elements, the cost of office supplies and professional management services, and contributions to a reserve fund to pay for capital repairs or replacements and other extraordinary capital or operating expenditures, are common expenses that will be borne by all unit owners in proportion to their respective percentages of interest in the common elements. Those percentages of interest are allocated to each unit on the basis of its par value, in comparison to the aggregate par value of all units (but subject to any minor deviations that may be necessary so that the percentages of interest of all units will total exactly 100.00).

The Association will raise funds to pay its common expenses, to the extent that they exceed common revenues, by collecting periodic assessments from the owners of all units of its condominium. The Board of Directors will project the common expenses of the Association through the formulation of an annual budget. Based on that budget, the Board will also determine the periodic payments that must be made to the Association by each unit owner to provide for those payments of the common expenses. The Board may provide for those payments to be made on any periodic basis, but not more frequently than monthly. The Developer presently anticipates that those payments will be made monthly in advance. Various remedies, including the levying of late fees and fines, the charging of interest, and the perfection of liens upon the relevant unit, will be available to the Board and the Association to assist in the collection of delinquent assessments.

Any annual budget may be increased or decreased at any time by the Board and the periodic payments of unit owners may be changed accordingly. In addition, the Board may require supplemental payments, in the form of special or other assessments, at any time to cover increased or unexpected expenditures, or to reimburse the Association for certain expenditures made with respect to individual units. It is anticipated that the principal source of revenue to the Association will be the periodic installments of common expenses paid by the unit owners.

The Association generally has the exclusive right and responsibility, at its expense, to maintain and make repairs, replacements, improvements and additions in and to the common

elements and limited common elements. Similarly, each unit owner generally is responsible for maintaining, repairing, replacing, improving and making additions in and to his unit at his expense; provided, however, that (1) no unit owner is permitted to change the exterior appearance of any building without the prior written consent of the Board of Directors, and (2) the Association has the right to perform necessary maintenance and/or make necessary repairs, replacements, improvements or additions in or to a unit in certain emergency circumstances or if the unit owner fails to complete the same following at least ten days' notice. The Declaration contains a more detailed discussion of the relative rights and responsibilities of the unit owners and the Association with respect to the maintenance, repair, replacement and improvement of the condominium property.

2) Voting Rights of Members. On every question for which the vote of the unit owners is permitted or required, each unit owner is entitled to exercise voting power equal to the same proportion as the Unit's undivided interest in the common elements. If two or more persons owned undivided interests in a unit as fiduciaries, tenants in common or otherwise, each will be entitled to exercise that proportion of the unit's voting power that is equivalent to his proportionate interest in the unit. There are no age or residency requirements for voting, and fiduciaries and minors who are owners of record of a unit or units will be entitled to vote their respective interests as unit owners.

3) Contractual Rights and 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 under the law. It is common for the board of directors of a condominium unit owners' association to contract with persons, firms or corporations to provide specific services to the association, such as management, landscaping, lawn care, etc. However, except for contracts for necessary utility services, no contract entered into by the Developer controlled Board may extend beyond the one-year anniversary of the date that the unit owners, other than the Developer, assume control of the Association. Because the Condominium is still in the early stages of its development, the Association has not yet entered into any specific contractual relationships of that nature other than for the management of the Condominium (see Section I for more information on this particular contract).

4) Condominium Documents; Amendment. The Declaration and its attached plans and drawings (as amended from time to time), the Articles of Incorporation and Bylaws of the Victorian Gate Condominiums Association, this Disclosure Statement, the Real Estate Purchase Agreement between the Developer and each prospective unit purchaser, any contracts pertaining to the management of the condominium property, and any other documents, contracts, or instruments establishing ownership of or exerting control over the Condominium Property or unit are binding legal documents that establish and govern the relative rights, responsibilities and obligations of the Developer, the purchasers and the Association. The Declaration and the Bylaws comply with the requirements of the Condominium Act that were in effect at the time they were filed for record. Copies of those documents, together with the Articles of Incorporation of the Association, are available for inspection at the Developer's sales office.

Generally, the Declaration and Bylaws may only be altered or amended with the consent of unit owners exercising not less than 75% of the voting power of all unit owners and the consent of "eligible holders of first mortgages" whose mortgages encumber at least 51% of the total

number of units that are subject to mortgages held by “eligible holders of first mortgages” (with “eligible holder of a first mortgage” being defined in the Declaration to mean the holder of a valid recorded first mortgage on a unit, which holder has given written notice to the Association requesting notification of any proposed action that requires the consent of the specified percentage of eligible holders of first mortgages). In addition, the consent of all unit owners will be required for any amendment that changes the number of votes in the Association that are allocated to each unit, the percentage liability for common expenses that is attributable to any unit, and the fundamental purposes to which any unit or the common elements are restricted. Also, the consent of unit owners exercising not less than 90% of the voting power of all unit owners and the consent of eligible holders of first mortgages on units to which at least 67% of the votes of units subject to mortgages held by eligible holders of first mortgages appertain will be required to terminate the Condominium. The Board has the right to amend the Declaration without a vote of the unit owners for the purposes set forth in Section 5311.05(E) of the Revised Code of Ohio (See Revised Ohio Condominium Law). Please note that Section 5311.08(E)(3) provides a remedy for unit owners who are aggrieved such actions of the Board. Finally, the Developer reserved the right and power, for a period of three (3) years after the date of filing of the Declaration, to amend any such documents to conform to the requirements then governing the purchase or insurance of mortgages by The Mortgage Corporation, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Mortgage Guaranty Insurance Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, and any other such agency or organization, or to correct typographical errors or obvious factual errors the correction of which will not impair the interest of any unit owner or mortgagee; and further provided that the Declaration may not be amended to increase the scope or the period of control of the Developer.

Except for amendments that may be executed solely by the Developer, and except as otherwise provided in the Declaration or the Condominium Act, a certificate setting forth an amendment of the Declaration and the manner of its adoption must be executed by the President and the Secretary of the Association. One copy of each such certificate of amendment must be filed with the Auditor and Recorder of Franklin County, and any such amendment will be effective from the time that a copy of the certificate is filed with the Franklin County Recorder.

I. Management Contract

The Bylaws specifically empower the Board of Directors, in its discretion, to employ or engage the services of a professional director and managing agent to assume part of the management responsibilities imposed on the Board. The Board may delegate to the director or managing agent such administrative and operational duties as it determines in exchange for such compensation as may be agreed upon. However, any agreement for the professional management of the Condominium may not extend beyond the ninetieth (90th) day after the date that the unit owners, other than the Developer, assume control of the Association, unless it is renewed by agreement of the parties. Additionally, such an agreement must be terminable by the Association for cause on not more than thirty (30) days written notice, and must be terminable by either party, without cause or penalty, on not more than ninety (90) days written notice. The Developer has entered into a Management Contract with The Case Bowen Company to provide management services for the

Condominium. This contract was assigned to the Association. A copy of the Management Contract is attached hereto as Exhibit E.

J. Statutory Rights and Remedies

Each purchaser of a unit of Condominium will have the following rights and remedies:

1. Each purchaser of a unit of the Condominium has the right to review all of the condominium instruments. Those instruments are comprised of the Declaration with its accompanying plans and drawings, the Articles of Incorporation and Bylaws of the Association, any contracts pertaining to the management of the Condominium Property, and all other documents, contracts or instruments establishing ownership or exerting control over the Condominium or a unit thereof.

2. Each purchaser has the right, pursuant to §5311.27 of the Revised Code of Ohio and notwithstanding any provision to the contrary contained in his Real Estate Purchase Agreement with the Developer, to void that purchase agreement if it was executed in violation of §5311.25 or §5311.26 of the Revised Code of Ohio. This right to void is in addition to any other remedy which may be available to the purchaser and may be exercised until the later of fifteen days after the date that both the Developer and the purchaser executed a contract or agreement for the conveyance or transfer for consideration of the unit which is the subject of that agreement or fifteen days

after the purchaser executed a document evidencing receipt of the information required by §5311.26 of the Revised Code, except that in no case is the contract or agreement voidable after title to the condominium ownership interest is conveyed to the purchaser. Upon the exercise of the right to void the contract or agreement, the Developer or an agent must refund fully and promptly to the purchaser any earnest money deposit or other prepaid fee or item and any amount paid on the purchase price, and must pay all closing costs paid by the purchaser or for which the purchaser is liable in connection with the void sale. Otherwise, if the sale of a unit of the Condominium does not close because of a default of the purchaser, the earnest money deposit may be retained by the Developer as fixed and liquidated damages, and if the transaction does not close for any other reason, the earnest money deposit shall be returned to the purchaser.

3. If the Developer or an agent sells a unit of the Condominium in violation of §5311.25 or §5311.26 of the Revised Code of Ohio, the purchaser of that unit may recover damages from the violating party in an amount equal to the difference between the amount paid for the unit and the lesser of (1) the fair market value of the unit at the time the suit is brought, or (2) the price at which the unit is sold in a bona fide market transaction before the suit is brought, or (3) the

price at which the unit is disposed of in a bona fide market transaction after the suit is brought but before judgment is entered. In no case shall the amount recoverable be less than \$500 for each violation against each purchaser bringing an action under §5311.27 of the Revised Code of Ohio, together with court costs and reasonable attorney's fees. If the purchaser complaining of such violation brings or maintains an action that the purchaser knows to be groundless or in bad faith and if the Developer or agent prevails, the court shall award reasonable attorney's fees to the Developer or agent.

4. The Attorney General of Ohio is also empowered to take action against the Developer pursuant to subsection (C) of §5311.27 of the Revised Code of Ohio if the Attorney General believes that substantial numbers of persons are being affected and substantial harm is occurring or is about to occur to those persons, or that the case is otherwise of substantial public interest. Such an action might result in the recovery of damages for the benefit of persons who were damaged or affected, such as purchasers of units of the Condominium.

K. Reserve Fund

One of the expense increments that is part of the two-year projection set forth on Exhibit C is an allowance for the gradual building of a reserve fund for the Association. The purpose of the reserve fund is to provide a residual source of funds to the Association to pay for

major capital repairs and replacements of the Condominium Property, such as the repair or replacement of roofs, and to cover other extraordinary or unanticipated expenditures. The annual reserve contribution is required to equal at least ten percent (10%) of the aggregate sum of all other items of the annual budget. However, the Board is free to increase that budget allowance at any time, depending on its analysis of the future needs of the Association in that respect. Additionally, the Association, by the vote of the unit owners exercising not less than a majority of the voting power of the Association, may, on an annual basis, waive the reserve requirement. It is important to note that the Declaration and the Real Estate Purchase Agreement between the Developer and each individual purchaser provides that each purchaser shall pay to the Association at his closing a sum equal to two months' assessments for common expenses, which funds will be used by the Association as a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services. This contribution is to create a working capital reserve, is not in lieu of nor to be credited upon the payment of assessments levied by the Association, and is not refundable when the purchaser resells his/her unit.

L. Encumbrances, Easements, Liens and Matters of Title

Title to the Condominium Property is subject to one or more mortgages. The holders of all such mortgages consented to the filing of the Declaration. In addition, each unit and its appurtenant interest in the common elements will be released from the lien of all mortgages (other than any mortgage granted or expressly assumed by the purchaser) at the time of the closing of the sale of the unit.

Each unit is subject at all times to the statutory lien for real estate taxes and assessments that are not yet due and payable. The Real Estate Purchase Agreement between the Developer and each purchaser of a unit sets forth the specific agreement between those parties regarding the proration or payment of such taxes and assessments. As noted above, the Declaration established a plan for the levy and collection of assessments by the Association to pay common expenses incurred in fulfilling the Association's functions. Those assessments are the personal obligation of unit owners and may be perfected as liens against units.

Except in its capacity as the owner of unsold units, neither the Developer nor any agent of the Developer will retain a property interest in any portion of the common elements. The Developer also assumed the rights and obligations of a unit owner in its capacity as the owner of any units that are not yet sold, including the obligation of paying common expenses attributable to such units, from the date the Declaration was filed for record.

At a minimum, each unit is subject to the following encumbrances, easements, liens, agreements and other matters of title, which affect the common elements, and which, if plottable, are depicted on the survey attached to the Declaration:

1. The Declaration;
2. Restrictions against use of all or a portion of Condominium Property for use as a gasoline filling station contained in Deed Book 3392, Page 317, Recorder's Office, Franklin County, Ohio (expires in 2013);

3. Rights of municipality to maintain utility lines in that portion of North Wall Street vacated by City of Columbus Ordinance No. 1308-92 pursuant to O.R.C. §723.041;
4. Telephone line easement of record in Official Record Volume 22907, Page A07, Recorder's Office, Franklin County, Ohio;
5. Sanitary sewer easement of record in Official Record Volume 23026, Page J13, partially released in Official Record Volume 31005, Page E03, Recorder's Office, Franklin County, Ohio;
6. Water main easement of record in Official Record Volume 23027, Page A06, Recorder's Office, Franklin County, Ohio;
7. Utility easement of record in Official Record Volume 23027, Page A16, Recorder's Office, Franklin County, Ohio;
8. Cable television easement of record in Official Record Volume 33049, Page C10, Recorder's Office, Franklin County, Ohio;
9. Right of entry agreement for purpose of installing, operating and maintaining cable television systems of record in Official Record Volume 26880, Page F17, Recorder's Office, Franklin County, Ohio; and
10. Unrecorded lease dated August 10, 1993 for that portion of the Condominium Property now known as Unit 677 High, which lease grants to the tenant thereunder, Bank One, Columbus, N.A. (and its successors and assigns) the exclusive use of eleven (11) of the open-air common element parking spaces along West Lincoln Street and North Wall Street during the business hours set forth in that lease.

THIS SUMMARY IS OFFERED MERELY AS A CONVENIENCE AND SHOULD NOT BE RELIED UPON. EACH PURCHASER SHOULD CAREFULLY READ AND UNDERSTAND THE ENCUMBRANCES, EASEMENTS, LIENS, AGREEMENTS AND OTHER MATTERS OF TITLE LISTED ABOVE.

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

M. Deposits

The Real Estate Purchase Agreement between the Developer and individual purchasers provides that any earnest money deposits given by each purchaser shall be held in trust until they are credited, disbursed or applied in accordance with the further provisions of said Agreement. If any such deposits and other amounts deposited with the Developer by an individual

purchaser total more than \$2,000 and are held in trust for a period in excess of ninety (90) days, interest on the amount of such deposits in excess of \$2,000 shall accrue during the period of time in excess of ninety (90) days that said amounts are held in trust, and shall be payable by the Developer at a rate equal to the prevailing rate payable on daily interest accounts by federally insured financial institutions in Franklin County, Ohio. Such interest shall be returned to purchaser, forfeited to Developer or credited on the total purchase prices at the closing (with the accumulated interest thereon being disbursed or credited in the same manner as the subject deposits).

N. Restraints on Alienation

All leases pertaining to units of the Condominium are required to be in writing and to provide for lease terms of at least thirty (30) days. In addition, no lease of a unit may be of less than an entire unit (that is, rental to roomers or boarders of a portion of a residential unit only is prohibited).

O. Present Litigation

There is no litigation pending in any federal, state or local court which concerns or relates to the Condominium except for the Civil Action discussed in detail in Section C(2).

P. Real Estate Taxes

One result of the filing of the Declaration was that each existing unit of the Condominium is treated as a separate parcel for purposes of the levy and collection of real estate taxes and assessments, and no other unit may be charged with the payment of taxes or assessments attributable to that unit. The Developer presently anticipates that the Franklin County Auditor will appraise and assess each unit of the Condominium as a separate tax parcel beginning with real estate tax year 2006. Those taxes will be collected individually beginning with the December 2006 tax collection. In addition, real estate taxes and assessments will generally be apportioned between the Developer and the purchasers of units in the Condominium in accordance with the applicable provisions of their respective purchase agreements.

SUMMARY

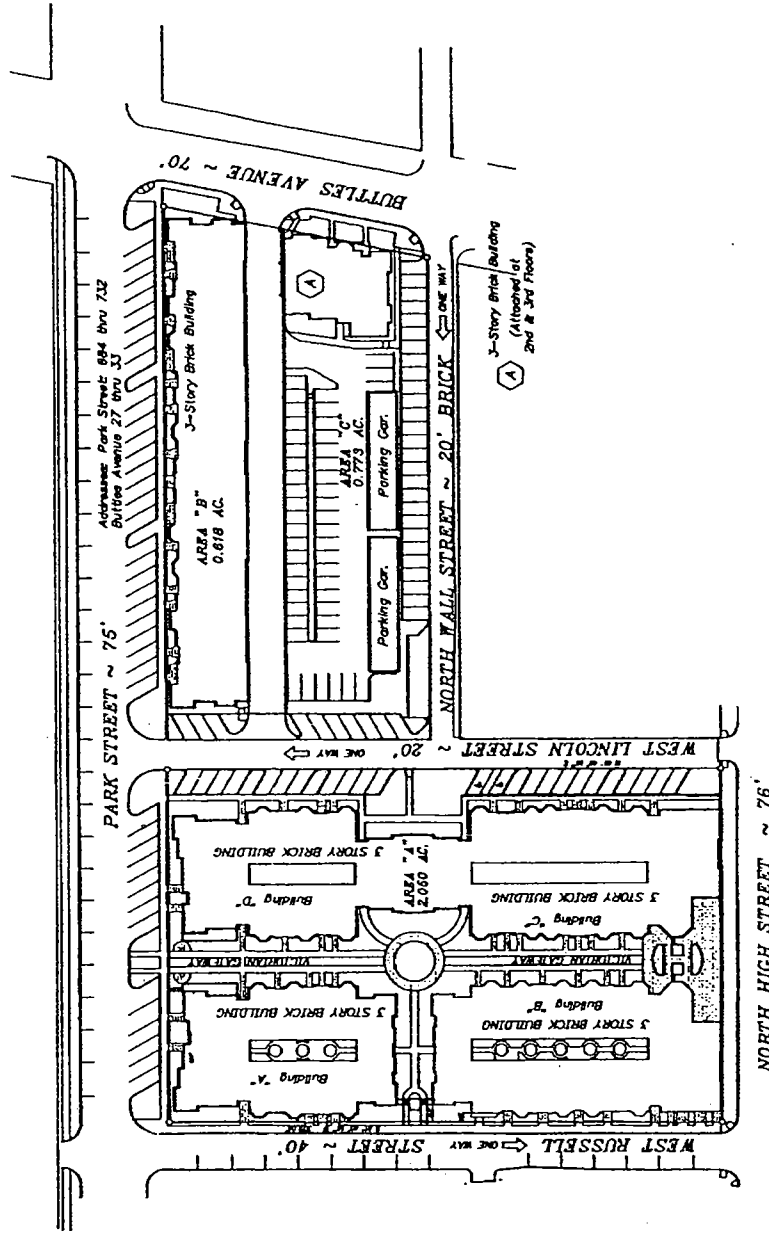
This Disclosure Statement contains a fair summary of all material circumstances or features known at this time that affect Victorian Gate Condominiums, as required by §5311.26 of the Revised Code of Ohio, and does not knowingly omit any material fact or contain any untrue statement of a material fact. Any representation or assurance that is made but is not contained in this statement or in the Real Estate Purchase Agreement between the Developer and a purchaser, the Declaration of the Condominium, or the Articles of Incorporation or Bylaws of the Association, must not be relied upon.

Respectfully submitted,

Victorian Gate Conversion Company LLC,
Developer

Victorian Gate Condominiums
EXHIBIT A

SKETCH PLAN



CONDOMINIUM DRAWINGS
for
VICTORIAN GATE CONDOMINIUM

Victorian Gate Condominiums

REVISED 2/28/2006

Exhibit B

<u>ID</u>	<u>Unit Type</u>	<u>Address</u>	<u>Bldg.</u>	<u>Floor</u>	<u>Unit Price</u>	<u>Par Value</u>	<u>% Interest In Common Area</u>
038RUS	Harrison	38 West Russell Street	A	1	SOLD	1.00375	0.471930425%
039VIC	Harrison	39 Victorian Gate Way	A	1	SOLD	1.00375	0.471930425%
040RUS	Preston	40 West Russell Street	A	1	SOLD	0.96500	0.453711442%
041VIC	Preston	41 Victorian Gate Way	A	1	SOLD	0.96500	0.453711442%
046RUS	Preston	46 West Russell Street	A	1	SOLD	0.96500	0.453711442%
047VIC	Preston	47 Victorian Gate Way	A	1	SOLD	0.96500	0.453711442%
048RUS	Creswick	48 West Russell Street	A	1	SOLD	1.06250	0.499552754%
049VIC	Creswick	49 Victorian Gate Way	A	1	SOLD	1.06250	0.499552754%
056RUS	Abbotsford	56 West Russell Street	A	1	SOLD	1.32000	0.620620832%
660PAR	Allendale	660 Park Street	A	1	SOLD	1.02375	0.481333771%
662PAR	Hawthorn	662 Park Street	A	1	SOLD	1.08750	0.511306936%
036RUS	Harrison	36 West Russell Street	A	2	SOLD	1.00375	0.471930425%
037VIC	Harrison	37 Victorian Gate Way	A	2	SOLD	1.00375	0.471930425%
042RUS	Scarsdale	42 West Russell Street	A	2	\$265,475	1.79375	0.843362590%
043VIC	Scarsdale	43 Victorian Gate Way	A	2	SOLD	1.79375	0.843362590%
044RUS	Scarsdale	44 West Russell Street	A	2	SOLD	1.79375	0.843362590%
045VIC	Scarsdale	45 Victorian Gate Way	A	2	SOLD	1.79375	0.843362590%
050RUS	Brunswick	50 West Russell Street	A	2	SOLD	2.18750	1.028490953%
051VIC	Brunswick	51 Victorian Gate Way	A	2	\$299,900	2.18750	1.028490953%
054RUS	Abbotsford	54 West Russell Street	A	2	SOLD	1.32000	0.620620832%
057VIC	Allendale	57 Victorian Gate Way	A	2	SOLD	1.02375	0.481333771%
059VIC	Hawthorn	59 Victorian Gate Way	A	2	SOLD	1.08750	0.511306936%
052RUS	Abbotsford	52 West Russell Street	A	3	SOLD	1.32000	0.620620832%
053VIC	Allendale	53 Victorian Gate Way	A	3	SOLD	1.02375	0.481333771%
055VIC	Hawthorn	55 Victorian Gate Way	A	3	SOLD	1.08750	0.511306936%
014RUS	Creswick	14 West Russell Street	B	1	SOLD	1.06250	0.499552754%
015VIC	Creswick	15 Victorian Gate Way	B	1	SOLD	1.06250	0.499552754%
016RUS	Preston	16 West Russell Street	B	1	SOLD	0.96500	0.453711442%
017VIC	Preston	17 Victorian Gate Way	B	1	SOLD	0.96500	0.453711442%
022RUS	Preston	22 West Russell Street	B	1	SOLD	0.96500	0.453711442%
023VIC	Preston	23 Victorian Gate Way	B	1	SOLD	0.96500	0.453711442%
024RUS	Preston	24 West Russell Street	B	1	SOLD	0.96500	0.453711442%
025VIC	Preston	25 Victorian Gate Way	B	1	SOLD	0.96500	0.453711442%
030RUS	Preston	30 West Russell Street	B	1	SOLD	0.96500	0.453711442%
031VIC	Preston	31 Victorian Gate Way	B	1	SOLD	0.96500	0.453711442%
032RUS	Harrison	32 West Russell Street	B	1	SOLD	1.00375	0.471930425%
033VIC	Harrison	33 Victorian Gate Way	B	1	SOLD	1.00375	0.471930425%
647HIG	Commercial #1	647 North High Street	B	1	\$765,960	4.41900	2.077669290%
002RUS	Belmont	2 West Russell Street	B	2	SOLD	1.00000	0.470167298%
003/005VIC	Clifton/Belmont Combination	3 Victorian Gate Way	B	2	\$309,900	1.62625	0.764609563%
004RUS	Belmont	4 West Russell Street	B	2	SOLD	1.00000	0.470167298%
012RUS	Allendale	12 West Russell Street	B	2	SOLD	1.02375	0.481333771%
013VIC	Allendale	13 Victorian Gate Way	B	2	SOLD	1.02375	0.481333771%
018RUS	Scarsdale	18 West Russell Street	B	2	\$265,475	1.79375	0.843362590%
019VIC	Scarsdale	19 Victorian Gate Way	B	2	SOLD	1.79375	0.843362590%
020RUS	Scarsdale	20 West Russell Street	B	2	\$265,475	1.79375	0.843362590%
021VIC	Scarsdale	21 Victorian Gate Way	B	2	SOLD	1.79375	0.843362590%
026RUS	Scarsdale	26 West Russell Street	B	2	\$265,475	1.79375	0.843362590%
027VIC	Scarsdale	27 Victorian Gate Way	B	2	SOLD	1.79375	0.843362590%
028RUS	Scarsdale	28 West Russell Street	B	2	\$265,475	1.79375	0.843362590%
029VIC	Scarsdale	29 Victorian Gate Way	B	2	\$265,475	1.79375	0.843362590%

Victorian Gate Condominiums

REVISED 2/28/2006

Exhibit B

<u>ID</u>	<u>Unit Type</u>	<u>Address</u>	<u>Bldg.</u>	<u>Floor</u>	<u>Unit Price</u>	<u>Par Value</u>	<u>% Interest In Common Area</u>
034RUS	Harrison	34 West Russell Street	B	2	SOLD	1.00375	0.471930425%
035VIC	Harrison	35 Victorian Gate Way	B	2	SOLD	1.00375	0.471930425%
006RUS	Belmont	6 West Russell Street	B	3	SOLD	1.00000	0.470167298%
007/009VIC	Clifton/Belmont Combination	7 Victorian Gate Way	B	3	\$309,900	1.62625	0.764609563%
008RUS	Belmont	8 West Russell Street	B	3	SOLD	1.00000	0.470167298%
010RUS	Allendale	10 West Russell Street	B	3	SOLD	1.02375	0.481333771%
011VIC	Allendale	11 Victorian Gate Way	B	3	SOLD	1.02375	0.481333771%
014VIC	Creswick	14 Victorian Gate Way	C	1	SOLD	1.06250	0.499552754%
015LIN	Creswick	15 West Lincoln Street	C	1	SOLD	1.06250	0.499552754%
016VIC	Preston	16 Victorian Gate Way	C	1	SOLD	0.96500	0.453711442%
017LIN	Preston	17 West Lincoln Street	C	1	SOLD	0.96500	0.453711442%
022VIC	Preston	22 Victorian Gate Way	C	1	SOLD	0.96500	0.453711442%
023LIN	Preston	23 West Lincoln Street	C	1	SOLD	0.96500	0.453711442%
024VIC	Preston	24 Victorian Gate Way	C	1	SOLD	0.96500	0.453711442%
025LIN	Preston	25 West Lincoln Street	C	1	SOLD	0.96500	0.453711442%
030VIC	Preston	30 Victorian Gate Way	C	1	SOLD	0.96500	0.453711442%
031LIN	Preston	31 West Lincoln Street	C	1	SOLD	0.96500	0.453711442%
034VIC	Alexandra	34 Victorian Gate Way	C	1	SOLD	0.95625	0.449597478%
035LIN	Alexandra	35 West Lincoln Street	C	1	SOLD	0.95625	0.449597478%
663HIG	Commercial #3	663 North High Street	C	1	\$110,000	0.75150	0.353330720%
677HIG	Commercial #2	677 North High Street	C	1	SOLD	3.70350	1.741264590%
002/004VIC	Clifton/Belmont Combination	2 Victorian Gate Way	C	2	\$316,900	1.62625	0.764609563%
003LIN	Belmont	3 West Lincoln Street	C	2	SOLD	1.00000	0.470167298%
005LIN	Belmont	5 West Lincoln Street	C	2	SOLD	1.00000	0.470167298%
012VIC	Allendale	12 Victorian Gate Way	C	2	SOLD	1.02375	0.481333771%
013LIN	Allendale	13 West Lincoln Street	C	2	SOLD	1.02375	0.481333771%
018VIC	Scarsdale	18 Victorian Gate Way	C	2	\$265,475	1.79375	0.843362590%
019LIN	Scarsdale	19 West Lincoln Street	C	2	\$258,300	1.79375	0.843362590%
020VIC	Scarsdale	20 Victorian Gate Way	C	2	\$265,475	1.79375	0.843362590%
021LIN	Scarsdale	21 West Lincoln Street	C	2	\$258,300	1.79375	0.843362590%
026VIC	Scarsdale	26 Victorian Gate Way	C	2	SOLD	1.79375	0.843362590%
027LIN	Scarsdale	27 West Lincoln Street	C	2	\$258,300	1.79375	0.843362590%
028VIC	Scarsdale	28 Victorian Gate Way	C	2	SOLD	1.79375	0.843362590%
029LIN	Scarsdale	29 West Lincoln Street	C	2	\$267,975	1.79375	0.843362590%
032VIC	Alexandra	32 Victorian Gate Way	C	2	SOLD	0.95625	0.449597478%
033LIN	Alexandra	33 West Lincoln Street	C	2	SOLD	0.95625	0.449597478%
006/008VIC	Clifton/Belmont Combination	6 Victorian Gate Way	C	3	\$309,900	1.62625	0.764609563%
007LIN	Belmont	7 West Lincoln Street	C	3	SOLD	1.00000	0.470167298%
009LIN	Belmont	9 West Lincoln Street	C	3	SOLD	1.00000	0.470167298%
010VIC	Allendale	10 Victorian Gate Way	C	3	SOLD	1.02375	0.481333771%
011LIN	Allendale	11 West Lincoln Street	C	3	SOLD	1.02375	0.481333771%
036VIC	Alexandra	36 Victorian Gate Way	D	1	SOLD	0.95625	0.449597478%
037LIN	Alexandra	37 West Lincoln Street	D	1	SOLD	0.95625	0.449597478%
040VIC	Preston	40 Victorian Gate Way	D	1	SOLD	0.96500	0.453711442%
041LIN	Preston	41 West Lincoln Street	D	1	SOLD	0.96500	0.453711442%
046VIC	Preston	46 Victorian Gate Way	D	1	SOLD	0.96500	0.453711442%
047LIN	Preston	47 West Lincoln Street	D	1	SOLD	0.96500	0.453711442%
048VIC	Creswick	48 Victorian Gate Way	D	1	SOLD	1.06250	0.499552754%
049LIN	Creswick	49 West Lincoln Street	D	1	SOLD	1.06250	0.499552754%
670PAR	Hawthorn	670 Park Street	D	1	SOLD	1.08750	0.511306936%
672PAR	Allendale	672 Park Street	D	1	SOLD	1.02375	0.481333771%

Victorian Gate Condominiums

REVISED 2/28/2006

Exhibit B

<u>ID</u>	<u>Unit Type</u>	<u>Address</u>	<u>Bldg.</u>	<u>Floor</u>	<u>Unit Price</u>	<u>Par Value</u>	<u>% Interest In Common Area</u>
674PAR	Abbotsford	674 Park Street	D	1	SOLD	1.32000	0.620620832%
038VIC	Alexandra	38 Victorian Gate Way	D	2	SOLD	0.95625	0.449597478%
039LIN	Alexandra	39 West Lincoln Street	D	2	SOLD	0.95625	0.449597478%
042VIC	Scarsdale	42 Victorian Gate Way	D	2	SOLD	1.79375	0.843362590%
043LIN	Scarsdale	43 West Lincoln Street	D	2	\$267,975	1.79375	0.843362590%
044VIC	Scarsdale	44 Victorian Gate Way	D	2	SOLD	1.79375	0.843362590%
045LIN	Scarsdale	45 West Lincoln Street	D	2	SOLD	1.79375	0.843362590%
050VIC	Brunswick	50 Victorian Gate Way	D	2	\$299,900	2.18750	1.028490953%
051LIN	Brunswick	51 West Lincoln Street	D	2	\$299,900	2.18750	1.028490953%
054VIC	Hawthorn	54 Victorian Gate Way	D	2	SOLD	1.08750	0.511306936%
057LIN	Allendale	57 West Lincoln Street	D	2	SOLD	1.02375	0.481333771%
059LIN	Abbotsford	59 West Lincoln Street	D	2	SOLD	1.32000	0.620620832%
052VIC	Hawthorn	52 Victorian Gate Way	D	3	SOLD	1.18750	0.558323668%
053LIN	Allendale	53 West Lincoln Street	D	3	SOLD	1.02375	0.481333771%
055LIN	Abbotsford	55 West Lincoln Street	D	3	SOLD	1.32000	0.620620832%
684PAR	Seville	684 Park Street	E	1	SOLD	1.50000	0.705250944%
686PAR	MacArthur (1)	686 Park Street	E	1	\$349,500	2.10000	0.987351325%
692PAR	MacArthur (1)	692 Park Street	E	1	SOLD	2.10000	0.987351325%
696PAR	MacArthur (1)	696 Park Street	E	1	\$349,500	2.10000	0.987351325%
700PAR	MacArthur (1)	700 Park Street	E	1	\$349,500	2.10000	0.987351325%
704PAR	MacArthur (1)	704 Park Street	E	1	\$349,500	2.10000	0.987351325%
708PAR	MacArthur (1)	708 Park Street	E	1	\$349,500	2.10000	0.987351325%
712PAR	MacArthur (1)	712 Park Street	E	1	\$349,500	2.10000	0.987351325%
716PAR	MacArthur (1)	716 Park Street	E	1	\$349,500	2.10000	0.987351325%
720PAR	MacArthur (1)	720 Park Street	E	1	SOLD	2.10000	0.987351325%
724PAR	MacArthur (1)	724 Park Street	E	1	\$349,500	2.10000	0.987351325%
728PAR	MacArthur (1)	728 Park Street	E	1	\$349,500	2.10000	0.987351325%
732PAR	Seville	732 Park Street	E	1	SOLD	1.50000	0.705250944%
039BUT	Inglewood	39 Buttles Avenue	E	2	SOLD	1.38750	0.652357125%
048LIN	Inglewood	48 West Lincoln Street	E	2	SOLD	1.38750	0.652357125%
045BUT	Inglewood	45 Buttles Avenue	E	3	SOLD	1.38750	0.652357125%
047BUT	Fairfield	47 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
049BUT	Oakleigh A	49 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
051BUT	Fairfield	51 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
052LIN	Inglewood	52 West Lincoln Street	E	3	SOLD	1.38750	0.652357125%
053BUT	Oakleigh A	53 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
054LIN	Fairfield	54 West Lincoln Street	E	3	SOLD	1.12500	0.528938210%
055BUT	Fairfield	55 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
056LIN	Oakleigh A	56 West Lincoln Street	E	3	SOLD	1.12500	0.528938210%
057BUT	Oakleigh A	57 Buttles Avenue	E	3	SOLD	1.12500	0.528938210%
058LIN	Fairfield	58 West Lincoln Street	E	3	SOLD	1.12500	0.528938210%
060LIN	Fairfield	60 West Lincoln Street	E	3	SOLD	1.12500	0.528938210%
062LIN	Oakleigh A	62 West Lincoln Street	E	3	SOLD	1.12500	0.528938210%
027BUT	Lexton	27 Buttles Avenue	F	1	SOLD	1.12500	0.528938210%
029BUT	Lexton	29 Buttles Avenue	F	1	SOLD	1.12500	0.528938210%
031BUT	Lexton	31 Buttles Avenue	F	1	SOLD	1.12500	0.528938210%
033BUT	Lexton Fitness Center (1)	33 Buttles Avenue	F	1	Not For Sale	3.92500	1.845406640%
35ABUT	Carlton D	35A Buttles Avenue	F	2	SOLD	1.08750	0.511306935%
35BBUT	Carlton B	35B Buttles Avenue	F	2	SOLD	0.96875	0.455474570%
35CBUT	Carlton B	35C Buttles Avenue	F	2	SOLD	0.96875	0.455474570%
35DBUT	Carlton A	35D Buttles Avenue	F	2	SOLD	0.90000	0.423150567%

Victorian Gate Condominiums
Exhibit B

REVISED 2/28/2006

<u>ID</u>	<u>Unit Type</u>	<u>Address</u>	<u>Bldg.</u>	<u>Floor</u>	<u>Unit Price</u>	<u>Par Value</u>	<u>% Interest In Common Area</u>
35EBUT	Carlton C	35E Buttles Avenue	F	2	SOLD	1.00000	0.470167300%
37ABUT	Carlton D	37A Buttles Avenue	F	3	SOLD	1.08750	0.511306935%
37BBUT	Carlton A	37B Buttles Avenue	F	3	SOLD	0.90000	0.423150567%
37CBUT	Carlton B	37C Buttles Avenue	F	3	SOLD	0.96875	0.455474570%
37DBUT	Carlton A	37D Buttles Avenue	F	3	SOLD	0.90000	0.423150567%
37EBUT	Oakleigh B	37E Buttles Avenue	F	3	SOLD	<u>1.18750</u>	<u>0.558323670%</u>
						<u>212.69025</u>	<u>100.000000000%</u>

NOTES:

1- Includes one or more garages as a Limited Common Element assigned to unit.

Victorian Gate Condominiums

REVISED: 8/10/2005

Exhibit C

Common Expenses

Two-Year Budget Projections for Common Expenses

<u>Item</u>	<u>Year</u>	
	<u>One</u>	<u>Two</u>
Lawn and landscaping	\$28,800	\$30,240
Common Area utilities	42,000	44,100
Snow removal	5,800	6,090
Association insurance	61,000	64,000
Accounting and legal	2,100	2,205
Reserve Fund contributions	20,700	21,730
Management fees	28,800	30,240
Administrative charges	6,100	6,405
Security	7,000	7,350
Supplies	1,900	1,995
Common Area maintenance	14,000	14,700
Parking repairs	9,000	9,450
Exterminating	<u>500</u>	<u>525</u>
TOTAL	<u>\$227,700</u>	<u>\$239,030</u>

Estimated Monthly Cost By Par Value

<u>Par Value</u>	<u>Year</u>	
	<u>One</u>	<u>Two</u>
0.75150	\$67.04	\$70.38
0.90000	\$80.29	\$84.29
0.95625	\$85.31	\$89.56
0.96500	\$86.09	\$90.38
0.96875	\$86.43	\$90.73
1.00000	\$89.21	\$93.65
1.00375	\$89.55	\$94.00
1.02375	\$91.33	\$95.88
1.06250	\$94.79	\$99.51
1.08750	\$97.02	\$101.85
1.12500	\$100.37	\$105.36
1.18750	\$105.94	\$111.21
1.32000	\$117.76	\$123.62
1.38750	\$123.78	\$129.94
1.50000	\$133.82	\$140.48
1.62625	\$145.08	\$152.30
1.79375	\$160.03	\$167.99
2.10000	\$187.35	\$196.67
2.18750	\$195.16	\$204.87
3.70350	\$330.40	\$346.85
3.92500	\$350.17	\$367.59
4.41900	\$394.24	\$413.85

Notes

1. General Assumptions and Basis of the Projections. The foregoing projections are estimates based upon the Developer's general experience with similar projects and general knowledge about such costs. These projections are not based on experience with this particular project, however, because the Condominium is still in its early stages of development. Consequently, these projections may not reflect actual costs incurred by the Association in the future, partly because it is impossible to predict future costs with complete accuracy and partly because these estimates are generally not based on actual bids or actual costs. The Developer cannot and does not warrant or guarantee in any way that the actual budget adopted or expenses incurred by the Association will be the same as these projections. The purpose of the projections is only to provide prospective purchasers with a good faith estimate by the Developer of what they can reasonably expect to pay for the items and services described.

The overall budgets are predicated on the assumption that the Condominium will contain 163 units during the entire two-year period.

Because the Developer cannot accurately predict what items of the budget will be affected annually by inflation, all cost estimates have increased a base amount of five percent (5%) from the first to the second year of the budget period.

Further assumptions and bases of some of the foregoing projections are as follows:

a. The estimates of the costs of landscaping are based on normal frequency of mowing, fertilizing, mulching, aeration, weed control applications, edging and trimming of both lawns and shrubs. The landscaping number also provides for the start up and shut down of the irrigation system, including the cost of any repairs to the same system.

b. The estimates for utilities include the cost of the water for the irrigation system, the cost of the electricity for the common amenities and common lights, and the cost of water runoff into the storm water system charged by the City of Columbus.

c. The estimates of the costs of snow removal are based on the assumption that the Association will plow the driveways and sidewalks approximately seven (7) times per year.

d. The estimates of the costs of insurance are based on a proposal provided by a reputable insurance company authorized to issue such insurance and the Developer's general knowledge of premium rates, and assume that the following coverages will be provided:

(1) Liability insurance concerning occurrences on the common elements with a limit of \$1,000,000 and a deductible of \$500.00.

(2) All risk fire and extended coverage hazard insurance in an amount equal to the guaranteed replacement cost on the six (6) buildings prorated among the buildings according to their relative values and based upon estimates of full replacement costs, excluding the costs of foundations, footers and excavation, and subject to a deductible of \$500 per occurrence. (Note: Each unit owner should obtain insurance for the improvements located within his unit and for contents owned by the occupant of each unit, whether such contents are located within the unit or in the common elements.)

(3) Fidelity insurance and insurance for the Board of Directors and officers of the Association against liabilities incurred by them in connection with the performance of their duties.

e. The estimated costs for building repairs and maintenance are based on the previous year's exterior maintenance costs for the Victorian Gate apartments.

f. The estimated costs for administrative services are based on the expectation that the Association will require some routine professional assistance from an attorney and an accountant, plus the cost of printing and sending Association mailings.

g. The projection of the cost of professional management is based on a fee of \$2,400 per month during the first year.

h. The projections for contributions to a reserve fund are based on the fact that the Declaration requires the establishment and maintenance of reserves for operating capital and the repair and replacement of capital improvements equal to at least ten percent (10%) of the aggregate sum of all other items of the annual budget, and the Developer's judgment as to reasonable amounts desired for those purposes.

i. The projections do not include any estimated costs for real estate taxes and/or assessments. When the Declaration is filed no real estate will be owned by the Association, and all real estate taxes and/or assessments for the Condominium Property will be apportioned among the units and charged directly to the unit owners. If in the future the Association takes title to real estate, then at that time the Association budget likely will include a line item for the payment of real estate taxes and assessments associated with the real estate owned by the Association.

2. Estimated Monthly Cost Per Unit. These are the monthly assessments that the Developer anticipates will be levied against each unit by the Association based on each unit's percentage interest of ownership in the Common

Elements as calculated based on each unit's par value as a fraction of the aggregate sum of all par values for the Condominium.

3. Other Insurance Expenses. It is likely that individual unit owners will wish to obtain some or all of the following insurance coverages on their own:

(a) 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.

(b) Fire and extended coverage hazard insurance and contents insurance covering improvements located within the unit and contents owned by the occupants of the unit, whether such contents are located within the unit or in the common elements. The cost of such insurance will be affected by the value of such improvements and contents and the extent of coverage desired.

The Developer has no way of estimating the monthly cost of such insurance and has not attempted to do so. Individual unit purchasers are encouraged to consult with their own insurance agents about such coverages and costs.

Victorian Gate Condominiums

Exhibit D

Five Year Cost Projection

	Year				
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>
Structural Elements					
Frame & Foundation	\$0	\$0	\$0	\$0	\$0
Walls	\$0	\$0	\$0	\$0	\$0
Roof/Gutters & Downspouts (1)	\$10,000	\$10,500	\$10,500	\$10,500	\$10,500
Exterior Surfaces (1)	\$1,000	\$1,050	\$1,050	\$1,050	\$1,050
Mechanical Systems					
Heating/Air Conditioning (2)	\$8,346	\$8,346	\$8,346	\$8,346	\$8,346
Electrical (2)	\$7,988	\$7,988	\$7,988	\$7,988	\$7,988
Plumbing (2)	\$7,570	\$7,570	\$7,570	\$7,570	\$7,570

1. These annual amounts projected for repairs of exterior building surfaces and roofs and related gutters and downspouts are included in Exhibit B. Additionally, another \$20,700 is budgeted annually to be put in reserves for roof replacements (required in approximately another 17 years) and painting/repair of exterior surfaces (required approximately every 7 year).
2. In projecting the costs of repairs and replacement of Mechanical Systems, we have taken the material costs (which are the only numbers we have for the operation of the Victorian Gate Apartment project during the last two years) and doubled those to approximate the costs of labor and materials.

The Developer's opinions are based upon the facts reasonably ascertainable through inspection of each unit in the property. Note that some of the projected costs of repair are the responsibility of the Association (for instance, repair of the roof and any plumbing and wiring considered to be part of the "Common Areas") and some are the responsibility of the individual owners (for instance, air conditioners and any plumbing or wiring which is part of the Unit). Additionally, some of the expenses shown above may be the responsibility of the Declarant pursuant to the Declarant's limited warranty. Accordingly, it is impossible to estimate the "per unit" costs of various items described above. An individual owner could experience no expense for his own unit, or could experience substantial expense if his heating and/or air conditioning system needed to be replaced after the one-year warranty period.

EXHIBIT 1

VICTORIAN GATE CONDOMINIUM ASSOCIATION MANAGEMENT AGREEMENT

This agreement is made this _____ day of _____, 200 between The Case Bowen Company, an Ohio Corporation ("Manager") and Victorian Gate Condominium Association, an Ohio Corporation ("Association").

WHEREAS the Association hereby employs Manager and Manager agrees to furnish the services of its organization to manage the Association and its 160 units. *162*

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, Manager and the Association hereby agree as follows: *MARCH*

1. **EMPLOYMENT.** The Association hereby agrees to employ Manager exclusively to manage and operate the Association for a term commencing July 1, 2005 and ending December 31, 2006. This agreement shall be terminable by either party for cause on thirty- (30-) days written notice; shall be terminable by either party on ninety- (90-) days written notice. No termination shall release either party of the indemnities set forth herein, nor terminate any liability or obligation of one to the other that accrues through the effective date of the termination. Thereafter, this agreement shall renew for one (1) year periods.
 - a. "Cause", for the purposes of this contract, is defined as that the Manager or Board of Directors/ Board Member has committed a crime or other act that has resulted in or was intended to result in personal gain of the Manager or Board of Directors/ Board Member at the expense of The Case Bowen Company or the Association or the Manager has been convicted of a felony.
2. **AUTHORITY.** The Manager shall manage the condominium to the extent, for the period, and upon the terms of this Agreement. The Manager shall perform all services in the name of and on behalf of the Association, and the Association hereby gives the Manager the authority and powers required to perform all services required by this Agreement.
3. **SCOPE OF SERVICE PROVIDED.** Manager shall act as an agent of the Association. Generally, the Manager shall execute the specific directives and policies of the Board of Directors of the Association, but shall also act upon the authority of the President of the Association, unless specifically directed otherwise by the Board. The scope of services provided by the Manager shall be limited to the provisions of this Agreement. The Manager shall designate one of its employees as "Property Manager" which designee may be changed from time to time by the Manager.
4. **DIRECTIVES.** The Manager shall take such actions as are necessary to execute the directives of the Board of Directors and the President of the Association, within the scope of this Agreement. The Manager may rely upon any waiver or release of Manager by the Board of Directors or the President of the Association as to the duties and obligations of Manager under this Agreement, provided, that in the event of conflicting statements the actions of the Board of Directors shall control.
5. **FINANCIAL ADMINISTRATION.** Manager agrees to perform the following duties regarding financial administration of the Association pursuant to its employment:
 - a. Assist in preparing the annual budget. The reserve or capital budget, with Board approval and at Association expense, may be contracted out to a company that specializes in that field.
 - b. Receive all monthly Association fees and any other assessments, and collect all delinquencies in such payments; provided, that Manager shall be compensated at a mutually agreed upon charge for any delinquency collection efforts for extreme cases. In pursuing collection of delinquencies, Manager may use all methods available to the Association as set forth in the Condominium Declaration and any other methods permitted by law, which are not specifically prohibited by the Declaration.

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- c. Subject to the availability of Association funds, the Manager shall make all disbursements of Association funds necessary to discharge any obligations of the Association in a timely manner. The Manager shall pay all invoices or any other obligations on hand biweekly. All disbursements shall be made directly from the Association's checking account. The Manager is authorized to make any discretionary expenditure less than \$1,000.00, except that in cases of emergency involving the potential injury, loss of life, or property, the Manager is authorized to make whatever expenditures are reasonably necessary or appropriate. Except for the foregoing, and except for approved budgeted expenditures, no disbursements shall be made without the prior approval of the Board of Directors. The Association shall cause the President and Executive Vice President of Manager to be named as authorized signors with respect to the Association's PRIMARY CHECKING ACCOUNT, unless otherwise directed by the Board of Directors.
- d. Keep accurate books of accounts and provide monthly financial reports using cash method accounting to the Board of Directors of the Association of all receipts, disbursements, and other operating expenses.
- e. Provide proper purchasing and disbursement methods and procedures.
- f. Prepare and post ledgers for unit owners.
- g. Prepare and distribute an Annual Financial Report to the President and the Treasurer of the Association.
- h. Assist and/or cause the preparation and mailing of delinquency notices. At the direction of the Board, the Manager may be requested to attend judicial proceedings in regards to the collection of delinquencies; the Association agrees to pay Manager, at a rate of fifty dollars (\$50.00) per hour for each hour spent in these duties.
- i. If the Association requires an audit of its financial records at any time during or subsequent to the term of this Agreement, the Manager shall assign a staff member of its organization to assist the auditor. The staff member shall assist the auditor by assembling whatever records are requested by the auditor, and by explaining any procedures or answering any questions as required by the auditor. The Manager shall provide this service free of charge if the audit is conducted within nine months following the completion of any annual period, or any portion of any annual period being audited. If the audit is conducted more than nine months following completion of the calendar year being audited, the Manager shall be entitled to additional compensation at \$500.00 for each annual period.
- j. Place and maintain insurance coverage for the common areas of the Condominium property as called for in the Declaration.
- k. Establish bank accounts as necessary, provided they are deposited in an FDIC Insured facility. The Association agrees to allow Manager to establish standard checking and savings accounts, for the purpose of everyday management of the Association's income and expenses, at the banking facility of the Manager's choice. There shall not be any ATM cards issued by the bank for the use by the Board of Directors or Manager at any ATM machine unless agreed upon by both the Association and the Manager in writing. All other investment and reserve accounts will be opened at the institution of the Board of Directors choice.

- l. The Manager, at its own cost, shall carry \$300,000 per incident of Employee Dishonesty coverage at all times while this Agreement is in effect. The Association agrees to pay for the cost of any additional Fidelity Bond or Employee Dishonesty Insurance coverage, which insures the Manager or the Association against loss of funds occasioned by the actions of any officer or director of the Association, or of the Manager or its employees, which may be required by the Board of Directors.
 - m. Assist in the processing insurance claims.
 - n. Perform any other duties necessary to accomplish those duties listed above.
 - o. Provide monthly financial statements to the Treasurer or the person designated by the Board of Directors in that person's absence.
6. **CONDOMINIUM ADMINISTRATION.** With regard to the administration of the Association, Manager agrees to perform the following duties:
- a. Attend all regularly scheduled meetings of the Board of Directors and of the Association, not to exceed one (1) meeting per month with a maximum of two (2) hours per meeting. Minutes for these meetings are the responsibility of the Association. Manager shall also attend the annual meeting of the Association.
 - b. Present all contracts, reports, and other recommendations to the Board of Directors for approval.
 - c. Prepare special reports (other than those already called for herein) upon request of the Board of Directors, provided that special reports shall be prepared at an additional charge of fifty dollars (\$50.00). Newsletters will be the responsibility of the Association. The word-processing of the completed newsletter can be done for an additional fifteen dollars (\$15.00) per hour secretarial time.
 - d. Upon request by the Board of Directors, duplicate any and all materials pertaining to the Condominium at ten (\$.10) cents per page.
 - e. Maintain files for all correspondence. All records held by Manager regarding the Association shall be made available for review by the Board of Directors upon reasonable request, during regular business hours of the Manager.
 - f. Communicate and cooperate with the Board of Directors, it being specifically understood that Manager is responsible only to the Board of Directors and to no individual unit owner.
7. **EXCESS MEETINGS, MEETING OVERRUNS, WEEKEND, AND HOLIDAY.** Manager agrees to attend meeting of the Board of Directors or the Association in excess of the limits set forth in Section 6(a) above at a charge of one hundred dollars (\$100.00) per hour per meeting. Meetings lasting over the 2-hour time limit will be charged at \$100.00 per hour for every hour that exceeds the limit. This will be billed in 30-minute increments. The Manager shall not attend any meetings scheduled on weekends or holidays. Notwithstanding anything to the contrary contained in this paragraph, the total of all of such meetings shall not exceed six (6) per year.
8. **PHYSICAL MAINTENANCE.** Regarding the physical maintenance of the common areas of the Condominium property. Manager agrees to perform, at the direction of the Board of Directors, the following duties (or cause them to be performed) at the Association's expense:

- a. Maintain the ground, including pruning, watering, weeding, spraying, lawn mowing, trimming, fertilizing, planting of trees, shrubs and flowers, and provide professional horticultural services as necessary, and any pond(s), if applicable.
- b. Maintain the parking lots, sidewalks, curbs, dumpsters and roads.
- c. Remove snow.
- d. Maintain the outside lighting that is part of the Common Area and is an Association responsibility.
- e. Maintain all building parts considered to be part of the common areas, including painting as needed and gutter, downspout and fence repair.
- f. Remove trash not removed by governmental agencies.
- g. Inspect the Condominium property common areas on a weekly basis.
- h. Maintain the pool (if applicable).
- i. Maintain, staff, and clean the on-site clubhouse and physical fitness center and perform any other duties concerning this facility that the Board of Directors may deem necessary (if applicable).
- j. It is expressly agreed that the Manager is not acting as a general contractor with respect to any contractor who may be recommended by the Manager or selected by the Board of Directors to perform work for the Association. The Manager makes no warranty as to the quality of any such work. The Manager shall arrange such contracts, verify the Board of Directors' satisfaction with the completion of such work, and shall pay the contractor in accordance with the terms of the contract.

Manager shall obtain approval from the Board of Directors in the event that it is necessary to expend more than \$1,000.00 for any single item listed above in Section 8 paragraphs a - j inclusive.

- 9. **PERSONNEL MANAGEMENT.** In connection with its duties herein, Manager shall hire, supervise and discharge all independent contractors and employees of the Association, unless otherwise agreed to, in writing, by the Manager and the Association, as required by the operation and maintenance of the Condominium property, including the clubhouse and physical fitness center, and swimming pool, if any, and make all payments for the same from the Association's funds.
- 10. **ADDITIONAL SERVICES.** The Manager may provide services outside the scope of this Agreement. Such services shall be provided at the request of the Association only upon terms agreed upon by the Manager and the Association. The Manager will also provide disaster management services (e.g. clubhouse fire, tornado damage) for a charge of 15% of the total cost to repair or replace as long as the Association and Manager mutually agree in writing that Manager will provide these services.
- 11. **OTHER FUNCTIONS.** Manager shall, in addition to its other duties called for herein, act as a consultant to the Association and advise the Board of Directors as to all improvements, which will enhance the Condominium property.
- 12. **ASSOCIATION EXPENSE PAID BY MANAGER.** The Association will incur daily expenses in its normal operation of its business. The Manager will advance some of those expenses, and the Association agrees to reimburse Manager for those expenses. The current costs, which are subject to change at anytime unless otherwise specified, are listed below:

- a. Copies: \$.10 cents per copy.
- b. Postage: Actual
- c. Secretarial for large mailings: \$10.00 per hour.
- d. Secretarial for Annual Meetings: \$50.00 per meeting.
- e. Payroll Administration: 15% of the gross payroll for that pay period (if applicable).
- f. Bank fees associated with any Association financial accounts
- g. Maintenance: The Manager shall furnish the administrative services of its organization to receive maintenance requests from unit owners at any time. Telephone maintenance requests made business days between 8:30 a.m. and 5:30 p.m. shall be received by Manager's personnel at the Manager's offices. At all other times, telephone maintenance requests shall be received by an automated answering service. The answering service will also describe emergency procedures to follow to obtain appropriate on-call personnel. Unit owners may also submit written maintenance requests.

The Manager, initially, shall use its best judgment and evaluation of a repair and maintenance request and determine if the request is for repair and maintenance of an item that is the responsibility of the Association or the individual unit owner. If unclear, the Manager shall refer the matter to the Board of Directors or its designated representative for decision.

In those instances in which the decision is made that the repair and/or maintenance is the responsibility of the Association, the Manager, if the cost of the expenditure to rectify the problem is less than \$1,000.00, shall proceed to perform or have the corrective work performed as and by whomever it deems appropriate. In all other cases the Manager shall provide the Board or its designated representative its recommendation as to the most cost effective way to take corrective action, and whether by a vendor or the Manager's employees.

The Manager shall respond to each maintenance request in a timely manner. The Manager shall keep a record of each maintenance request which shows the date and origin of the request, a description of the work requested, the date, time, and nature of the action taken, the name of the employee or contractor who performed the work, and the cost associated with any action taken.

~~h. New Association set up fee: \$5.00 Per Unit (if applicable).~~

- i. The Manager shall be expressly authorized to establish and assess reasonable administrative charges to owners or their agents who require information about the condominium, including but not limited to, the completion of mortgage lender's condominium data forms, Association's Declarations, By-Laws, or other documents pertaining to the Association.

13. **MANAGEMENT FEE.** As compensation for the performance of the services outlined herein, Manager shall be paid each month, which is on or follows the first business day of the month during the original or any renewal term of this Agreement. Manager is authorized to pay to itself from the funds collected on behalf of the Association, in addition to reimbursement of costs, expenses, and other charges advanced by Manager, as prescribed by the schedule below.

0-24 units	\$500.00/month	146-160 units	\$2400.00
25-50 units	\$750.00/month		
50-70 units	\$1,000.00/month		
70-93 units	\$1,485.00/month		
94-120 units	\$1,800.00/month		
121-145 units	\$2,100.00/month		

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14. **OBLIGATIONS OF THE ASSOCIATION.** The Association, through the Board of Directors, shall have the following obligations regarding this Agreement:

Association agrees to provide at its expense public liability insurance in an amount agreeable to Manager, which insures against the following, and to the extent not covered by Association's insurance, Association agrees:

- a. To hold and save Manager free and harmless from and against all expenses, claims, liabilities, losses, judgments, and damages including reasonable attorney fees actually incurred, which Manager may suffer or incur as a result of injury, loss, or damage to person or property in or about the property when Manager is carrying out the provisions of this agreement pursuant to the terms thereof;
 - b. To reimburse Manager for any money which Manager is required to pay in connection with the property as provided in and pursuant to the terms of this Agreement, including payments of operating expenses, attorney fees or costs, fees and judgments in connection with the defense of any claim, similar criminal action, proceeding, charge or prosecution made, instituted or maintained against Manager or Association, jointly or severally, effecting or due to the condition or use of the property or acts or omissions of Association, or the agents and employees of Association, and;
 - c. To retain legal counsel to defend promptly and diligently, at Association's sole expense, any claim, action, or proceeding brought against Manager of Association, jointly or severally, arising out of or in connection with any of the foregoing, provided however that if it is subsequently determined that any such loss or cost is not subject to indemnity by Association, then Manager shall reimburse Association in the defense of Manager under any such claim, action, or proceeding.
 - d. To maintain membership in the local chapter of the Community Associations Institute.
 - e. The Association shall pay all out-of-pocket expenses incurred by the Manager on behalf of the Association while acting within the scope of this Agreement.
 - f. The Association agrees that, without the express prior written consent of the Manager, it shall not offer employment to any person who has been an employee of the Manager within the earlier of (1) one year of the date the employee's employment by the Manager terminated and (2) one year of the date of the termination of this Agreement.
15. **EMPLOYEES.** It is expressly understood and agreed that the Association is not the employer of any employee of Manager, and has no control over the time, manner, wages or conditions of employment of Manager's employees. Manager, at its own cost, will cause all of its employees who perform work in connection with the Association and its property to be covered by federal and state workers' and unemployment compensation laws, and hold harmless the Association from liability with regard to federal, city and state income tax withholding laws applicable to such employees and their employment.
16. **NOTICES.** Any notice, request, or other document or demand required or desired to be given to the Association or Manager shall be in writing and shall be deemed given:
- a. To the Association when delivered in person to the President of the Board of Directors and/or the Secretary of the Board of Directors when deposited in the United States mail, first-class postage prepaid, addressed to the Association at its address which is designated as the President's or Secretary's home address which is maintained as part of the Association's records designated as unit owners of record with the Manager, or to such other person or place which may be later designated by the Association Board of Directors.

b. To Manager when delivered personally to an officer of Manager or when deposited in the United States mail, first-class postage prepaid, addressed to The Case Bowen Company at 5975 Wilcox Place, Dublin, Ohio 43016.

17. **AGREEMENT BINDING.** This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of each of the Association and Manager, provided that no assignment of the Agreement shall be made except upon the written consent of the parties.


18. **ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the parties and no other representations, oral or otherwise, shall be binding upon either party, except as set forth herein.


19. **APPLICABLE LAWS.** This agreement shall be construed under the laws of the State of Ohio, and any claim or controversy arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration under the rules of the American Arbitration Association.

20. **CHANGES TO AGREEMENT.** No change to this agreement shall be valid unless made by supplemental written agreement executed and approved by the Board of Directors and The Case Bowen Company.

21. **CAPTIONS.** The captions are not a part hereof, but are merely descriptive labels to assist in reading the various provisions.

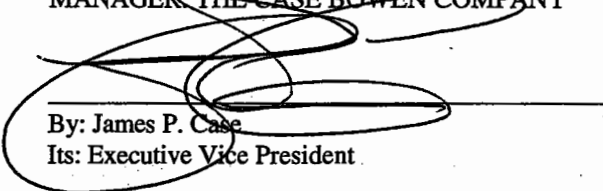
IN WITNESS WHEREOF, the parties have hereto signed their names on the day and year just set forth above.




Witness


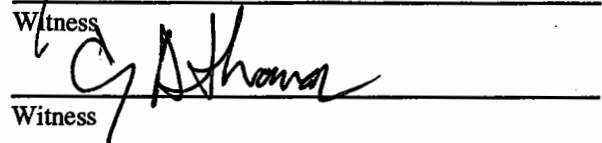
Witness

~~MANAGER: THE CASE BOWEN COMPANY~~



By: James P. Case
Its: Executive Vice President



Witness


Witness

ASSOCIATION: VICTORIAN GATE
CONDOMINIUM ASSOCIATION



By: Pat Grabill
Its: President