

M. Brandon Teeples, Esq.
(614) 358-8058

May 16, 2005

Wedgewood Homeowners Association
PO Box 1526
Powell, Ohio 43065

Re: Association's Authority to Make Assessments

Dear Board of Trustees:

This letter is in response to your request for an interpretation of the Declaration of Covenants, Easements, Restrictions and Assessments (the "Declarations") regarding the Wedgewood Homeowners Association's (the "Association") authority to make an assessment for the purpose of assisting with the federal litigation initiated against Walmart (the "Litigation"). The Declarations do not specifically authorize an assessment for the purpose of assisting with the Litigation, but the Declarations do leave open to interpretation the Association's authority to make such an assessment. As provided in Article XI, Section 1, "In case of uncertainty as to the meaning of any article, paragraph, sentence, clause, phrase or word contained herein, the interpretation by the trustees, provided it is reasonable, shall be final and conclusive upon all interested parties."

Article VI, Section 1, provides for three types of assessments: (a) Initial Reserve Contributions (b) Annual Operating Assessments, and (c) Special Individual Lot Assessments. The Initial Reserve Contribution is not applicable here as this type of assessment is made at the time of the closing on the purchase of the individual lots. Furthermore, the Special Individual Lot Assessments do not appear to be applicable as this type of assessment is intended to reimburse the Association for costs incurred as a result of fulfilling an obligation of a particular lot owner (i.e. the cost of making repairs required by the Declarations to be made by the lot owner).

Article VI, Section 3, authorizes Annual Operating Assessments for the purpose of providing funds to, among other things, (a) defray the administrative costs and expenses incurred by the Association in the exercise of its powers, authority and duties, and (b) to protect the enjoyment of the owners and occupants of the Wedgewood Subdivision. Article II, Section 1, authorizes the Association to "take such actions as the trustees deem appropriate in fulfilling the Association's purposes." Furthermore, Article VII, Section 1, instructs the Association to apply the funds it receives "to the fulfillment of the purposes of the Association." According to the Association's Articles of Incorporation, the purposes of the Association include the responsibility to take such actions as are necessary or desirable to maintain the Wedgewood Subdivision as a safe, high quality residential community. Together these provisions provide the Association with the authority to make Annual Operating Assessments in order to fulfill the Association's purposes, including taking actions necessary or desirable to maintain the Wedgewood Subdivision as a safe, high quality residential community.

Article VI, Section 3(a) sets a limit on the amount of the base Annual Operating Assessments. Section 3(a) provides that, except by the majority vote of the members of the Association, the Annual Operating Assessments may not be increased each year by more than the percentage increase of the Consumer Price Index

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from January 1992 through the December preceding the calendar year in which the Association seeks to increase the Annual Operating Assessments. After analyzing the percentage increase from January 1992 through December 2004, Section 3(a) would limit the Annual Operating Assessments for 2005 to approximately \$265.

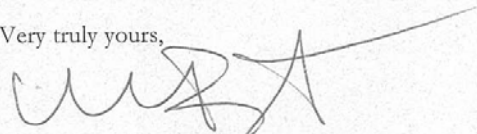
Notwithstanding the limitation of Section 3(a) on the base Annual Operating Assessments, Section(c) provides, "If, at any time, the amounts collected as operating expenses, and reserves, if any, are insufficient to meet all obligations of the Association, the trustees may levy additional operating assessments to meet such deficiency."

This section would provide the Association with the authority to make additional assessments in the event that the assessments previously made are not sufficient to pay the debts owed by the Association as a result of the Association's efforts to fulfill its purposes.

In summary, the Declarations appear to be clear that the Association can make assessments for the purpose of taking actions necessary or desirable to maintain the Wedgewood Subdivision as a safe, high quality residential community. It is my understanding that the Association believes assisting with the Litigation advances this purpose. Although there is some limitation on the amount of the base Annual Operating Assessments that may be imposed by the Association, an increase of the Annual Operating Assessments can be approved by a majority of the Members of the Association. In addition, if the collected assessments and reserves are not sufficient to pay the Association's obligations and allow the Association to take actions in fulfillment of its purposes, Article VI, Section 3(c) provides the Association with the authority to make additional assessments.

If I can be of any further assistance, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. Brandon Teeple', with a long horizontal line extending to the right.

M. Brandon Teeple, Esq.

/MBT

cc: Joseph Karr
Mary Spahia-Carducci