

LAKE COUNTY OHIO
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SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR THE RESERVE AT STONE CREEK SUBDIVISION,
KIRTLAND, OHIO

FRANK A SUPONCIC
LAKE COUNTY RECORDER

REC. FEE: 172.00
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WHEREAS, Stonecreek Land Company, LLC ("Developer") recorded its Declaration, on the 22 day of November 2005;

WHEREAS, by First Amendment to the Declaration, on 2-15, 2006 Declarant by and through Instrument No. ** of the Lake County Deed Records and by First Amendment Declarant further amended as authorized by Article VIII of the Declaration to include additional restrictions required by certain local government jurisdictions; and

**2006R006187

WHEREAS, Developer now intends to amend its Declaration, as authorized by Article VIII, to modify its Protective Covenants as they apply to Unit Owners.

NOW, THEREFORE, the Developer declares that the real property described in Article II, and such additions thereto, as may hereafter be made, pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth and further specifies that this Amended Declaration shall constitute covenants to run with the land and shall be binding upon the Developer and its successors and assigns, and all subsequent owners of all or any part of said real property, together with their grantees, successors, heirs, executors, administrators or assigns.

ARTICLE I

DEFINITIONS

SECTION 1. The following words, when used in this Declaration or any Supplemental Declaration (unless the context prohibits), shall have the following meanings:

(a) "Articles" shall mean the Articles of Incorporation of the Association.

(b) "Areas of Common Responsibility" shall mean and refer to (i) storm drainage within the Subdivision, including the drainage easements, curtain drain easements, drainage ditches and swales shown on the Plat; and (ii) the maintenance, repair, replacement and inspection of the individual on-Lot sanitary sewage system (referred to herein as the "System") serving each Lot.

(c) "Association" shall mean and refer to the Stone Creek Subdivision Homeowners' Association, Inc., an Ohio non-profit corporation.

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- (d) "Board" shall mean and refer to the Board of Trustees of the Association.
- (e) "Code" shall mean and refer to the Code of Regulations of the Association.
- (f) "Developer" shall mean and refer to Stonecreek Land Company, LLC, an Ohio limited liability company and its successors and assigns.
- (g) "Health District" shall mean the Lake County General Health District.
- (h) "Living Unit" shall mean and refer to any building situated within the Property, designed and intended for use and occupancy as a residence by a single family.
- (i) "Lot" shall mean and refer to any subplot (whether or not improved with a Living Unit) shown upon any recorded Plat of the Property.
- (j) "Member" shall mean and refer to all those Owners called members of the Association as provided in Article III, Section 1, hereof.
- (k) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Property, but shall not mean or refer to the mortgagee thereof unless and until such mortgagee has acquired title pursuant to foreclosure, or any proceeding in lieu of foreclosure.
- (l) The "Plat" shall mean and refer to the plat for the Subdivision recorded as Instrument No. 2006R000777 in the official Plat Records of Lake County, Ohio.
- (m) The "Property" shall mean and refer to the property described in Article II and any additions made thereto in accordance with Article II.
- (n) "Subdivision" shall mean and refer to the Reserve at Stone Creek Subdivision, Kirtland, Ohio.
- (o) "System" shall mean the individual on-Lot sanitary sewage system serving each Lot.

ARTICLE II

PROPERTIES SUBJECT TO THE DECLARATION: ADDITIONS THERETO

SECTION 1. Existing Property.

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Kirtland, Lake County, Ohio, and consists of Eighteen Sublots (Nos. 1 through 18) in the Subdivision, a metes and bounds legal description of which is set forth in the Plat.

All of the aforesaid real property shall hereinafter be referred to as "Existing Property".

SECTION 2. Additions to Existing Property.

Additional lands may become subject to this Declaration in the following manner:

(a) Additions by the Developer. The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development. Nothing, however, contained herein shall bind the Developer, its successors or assigns, to make any additions or to adhere to any particular plan of development.

(b) Any such addition shall be made by filing of record a Supplemental Declaration in a form approved by the Developer with respect to the additional property which shall extend the scheme of the covenants and restrictions of the Declaration to such property. Such Supplemental Declaration may contain such complementary additions and modifications of these covenants and restrictions as may be necessary to reflect the different character, if any, of the added property and as are not inconsistent with the scheme of these covenants and restrictions. In no event, however, shall such Supplemental Declaration revoke, modify or add to the covenants and restrictions established by this Declaration within the Existing Property, nor shall such instrument provide for assessment of the added property at a lower rate than that applicable to the Existing Property.

(c) Such additions shall extend the jurisdiction, functions, duties and membership of the Association to such properties.

(d) The Association may be merged or consolidated with another Association as provided in its Articles, Code of Regulations or Rules and Regulations. Upon such merger or consolidation, the Association's properties, rights and obligations may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration with the Existing Property except as hereinafter provided.

Developer shall have the right to assign any and all of the rights reserved to it in this Article II.

Developer on its own behalf as the owner of all of the Existing Property, and on behalf of all subsequent owners, hereby consents to and approves, and each subsequent Owner and his mortgagee by acceptance of a deed conveying such ownership interest, as the case may be, thereby consents to and approves the provisions of this Article II, including without limitation and the generality of the foregoing, and the amendment and modification

of this Declaration by Developer in the manner provided in this Article II herein and Article VII herein.

SECTION 3. Changes in Lots.

The Developer reserves the right to make such changes in the boundaries of Lots (including the right to subdivide Lots) with the approval of the governmental authorities having jurisdiction as it deems advisable, provided that no such change may be made if the same would adversely affect the boundaries or the beneficial use and enjoyment of any Lot then owned by persons other than Developer without the written consent of such person and shall be approved by the Board.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS
IN THE ASSOCIATION

SECTION 1. Membership.

Each person or entity who is a record Owner of a fee or undivided fee simple interest in any Lot or Living Unit shall automatically be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the payment of money or performance of an obligation shall not be a Member. When more than one person holds such interest or interests, in any Lot or Living Unit, all such persons shall be Members, but for quorum, voting, consenting and all other rights of Membership, such person shall collectively be counted as a single Member, and entitled to one vote for each such Lot or Living Unit, which vote for such Lot or Living Unit shall be exercised as they among themselves deem. Each such Member shall be jointly and severally liable for the payment of the assessments hereinafter provided with respect to such Lot or Living Unit.

SECTION 2. Classes of Memberships and Voting Rights.

The Association (until April 15, 2007, and thereafter until the occurrence of the event specified below) shall have two classes of voting Membership:

CLASS A: Class A Members shall be all Members with the exception of the Developer. Class A Members shall be entitled to one (1) vote for each Lot or Living Unit owned by them.

CLASS B: The Class B Member shall be the Developer. The Class B Member shall be entitled to three (3) votes for each Lot or Living Unit owned by it provided that the Class B Membership shall cease and become converted to a Class A Membership on the happening of the following event:

When (but not before April 15, 2007) the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership as computed upon the

basis set forth above, or sooner, by the written election of the Class B Member, the Class B Member shall be deemed to be a Class A Member and entitled to one (1) vote for each Lot or Living Unit owned by it.

SECTION 3. Articles and Code of Regulations of the Association.

The Articles and Code may contain any provisions not in conflict with this Declaration as are permitted to be set forth in such Articles and Code by the non-profit corporation law of the State of Ohio as from time to time in effect.

ARTICLE IV

RESERVED EASEMENTS UPON THE PROPERTY

SECTION 1. Storm Easement Areas.

(a) Declaration of Easement and Rights. Developer hereby declares non-exclusive perpetual easements for storm draining purposes within the local service drainage easement areas shown on the Plat, for the mutual benefit of the Owners of the Lots upon which such easements are located, to utilize the storm drainage facilities within said easements. For purposes of this Declaration, these easements may be utilized by any Owner of a Lot within the Subdivision for the purposes described herein. The Owner of the Lot upon which the local service drainage easement is located is enjoined from committing any act, nor allowing or suffering any person to commit any act, which impedes the purpose of the easement.

(b) Mutual Maintenance and Repair Responsibilities. The Association may access, lay, maintain, repair, replace and remove pavements, stone sewer pipe, manholes, culverts, drains, ditches, swales, plantings and/or appurtenances within such local service drainage easement areas (the "Maintenance Work"). In addition, such Owners have equal rights and responsibilities for removing, clearing, cutting and pruning of underbrush, weeds, stumps, and other growth that impairs the flow of storm drainage through the local service drainage easement areas, and shall keep the same in a clean and sanitary condition (the "Additional Work").

(c) Right of Non-Defaulting Owner/Owners. If any Owner fails to perform the Additional Work (the "Defaulting Owner"), the Board shall have the right to perform the Maintenance Work and/or the Additional Work and charge the Defaulting Owner for the Defaulting Owner's prorata share of the maintenance costs, together with interest thereon and costs and expenses, including reasonable attorney's fees.

(d) Ultimate Responsibility. Neither any instrumentality of Lake County, Ohio, nor of the City of Kirtland, Ohio shall be responsible for any work or maintenance upon the local service drainage areas, nor for any liability which arises from the design, use, maintenance, or any injury occurring upon the local service drainage areas. This

responsibility shall rest entirely with the Association as identified herein and on the Plat of this Subdivision.

(e) Binding Effect. The terms, covenants, conditions and agreements herein shall run with the land and inure to the benefit of and be binding upon the Developer (so long as the Developer is also an Owner) and all present and future Owners of the Sublots in the Subdivision and their respective heirs, executors, administrators, successors and assigns.

SECTION 2. Public Utility Easements.

The Developer does hereby reserve and is granted hereby easements across all Lots for the installation, use and maintenance of all utilities as Developer may determine, including, but not limited to, electrical, gas, T.V. cable, sewer and/or water service lines.

SECTION 3. Individual Household Sanitary Sewage Disposal Systems.

Easements are hereby granted to the Association over all Lots for the maintenance, repair, replacement and inspection of the individual on-Lot sanitary sewage system serving each Lot in accordance with Article V hereof.

SECTION 4. Areas of Common Responsibility.

Easements are hereby granted to the Association so as to enable the Association to carry out its rights and obligations with respect to the Areas of Common Responsibility and shall include a landscape easement on the entryway for installation and maintenance of landscaping and signage identifying the Subdivision.

ARTICLE V

ON-LOT SANITARY SEWAGE SYSTEM

Each Owner shall be responsible for the proper operation and maintenance of their on-Lot sanitary sewage system. To insure said obligation, the Association shall also be responsible for the maintenance and repair of the individual on-Lot sewage system serving each Lot, (referred to herein as the "System"). Such maintenance, repair and inspection shall be performed in accordance with the Health District requirements, as now in effect or as may be from time to time amended.

SECTION 1. Association Responsibilities: Inspection of System.

The Association shall have the sewage system (the "System") on each Lot owned by such Owner inspected not less than every six months by an inspector having such

qualifications and/or licenses as the Health District or its successors may reasonably adopt from time to time. The cost of such inspection shall be included in the Annual Assessments. The Association shall cause the inspector to prepare a report (the "Report") of the inspection in a format approved by the Health District and provide copies to the Owner, the Association, and the Health District.

The Association shall perform maintenance on the System on each Lot in accordance with the recommendations in the Report or as the Association may otherwise determine. "Maintenance shall mean routine work that is required to keep the System functioning properly and shall include but not necessarily be limited to pumping of septic tanks and aeration units, cleaning or restoring filters within aeration systems, alternating sewage effluent fields, and keeping curtain drain outlets open and free flowing. The cost of maintenance shall be included in the Annual Assessments.

The Association shall arrange for repairs to the System on each Lot as recommended by the Report by, at its discretion, either contracting directly for the repairs and charging the owner for the same as a special assessment or directing the Owner to contract directly for the repairs. "Repairs" shall mean repairing or replacing the physical existing components of the System including but not necessarily limited to septic tanks, aeration units, effluent pump stations, leach/evapotranspiration lines, distribution piping/boxes, curtain drains and/or components of mound or drip systems.

If the Owner does not perform the Repairs as directed by the Association within thirty days after receipt of the Association's notice, the Association shall have the right and obligation to cause the Repairs to be performed and shall charge the full cost to the Owner of the Lot on which the Repairs were performed as a special assessment. Although the cost of such Repairs is not included in the Annual Assessment, the Association may at its discretion allocate a portion of the funds collected for Annual Assessments as a reserve to pay for Repairs pending payment by the Owner of any special assessments charged to such Owner pursuant to this Section 1.

SECTION 2. Cost of Maintenance. Repair and/or Replacement of System.

The Association shall have the authority to order and contract for, on behalf of the Owner, the maintenance and repair of any System which needs maintenance or repair as a result of any failure of the System, including, but not limited to, the failure of the System to comply with the design, specifications and installation procedures as specified by the Developer and/or the Health District. The full cost of such maintenance, repair and/or replacement shall be borne by the Owner.

SECTION 3. Lien Rights of Association.

Any claim hereunder for contribution for assessments, maintenance, repair and/or replacement by the Association which is not paid to the Association within thirty (30) days after the date of billing shall be a secured right and secured obligation and a lien thereafter shall attach to the Lot of the defaulting Owner, effective upon and from the time of

recording of Certificate of Lien in the Office of the Recorder of Lake County, Ohio pursuant to Article VI hereof. Service of a copy of the Mechanic's Lien shall be required to be made upon the Owner pursuant to the Ohio Mechanics' Lien Act, to the tax mailing address of the Owner. All costs and expenses, including attorneys fees, for filing and service of the Mechanic's Lien shall be included in the principal amount of the Mechanic's Lien, along with interest at the rate of twelve percent (12%) per annum.

SECTION 4. Right of Entry of Association.

By acceptance of a deed to a Lot or any other interest in the real property subject to these restrictions, each Owner and/or subsequent Owner consents to the entry upon his or her Lot by the Association, its agents or employees, to perform such inspections, maintenance, repair and/or replacements; and such Owner waives any right that he or she may have to object to such entry upon his or her Lot; provided, however, that such entry upon the Lot by the Association, its agents or employees shall be reasonable in all respects. In accordance with Article IV hereof, Declarant reserves to the Association such easements as may be necessary to perform such inspections, maintenance, repair or replacements as may be necessary to keep the System in proper working order.

SECTION 5. Waiver.

By acceptance to a deed for a Lot or any other interest in the real property subject to these restrictions, each Owner and/or subsequent Owner waives any rights or claims the Owner may then or at any time in the future have against the Developer resulting from the regulation by the Health District of this System being used on each Lot.

SECTION 6. Restrictions With Respect to System.

The following provisions shall constitute restrictions to which each Lot is subject and which must be complied with by the Owner of each Lot prior to the construction of a Living Unit on the Lot:

(a) Each Lot will be considered separately for the installation of the System. If a Lot is found to be unsuitable, a sewage system installation permit will not be issued and the site will be considered unbuildable.

(b) Each Living Unit constructed on a Lot must utilize water-saving toilets, showerheads and faucets.

(c) A sewage disposal system installation permit must be obtained for each Lot. Prior to permit issuance, a site inspection will be conducted by a representative of the Health District. Once the type, size and location of the sewage disposal system to be utilized is determined, the applicant must submit a plot plan drawn by a registered engineer or surveyor depicting the location and design of the sewage disposal system, house location, existing and final grades, downspout drainage and any other information deemed necessary by the Health District.

(d) Drainage improvements or changes from existing grade noted on the approved plan shall be installed prior to the issuance of a permit for the installation of the System.

(e) Off-Lot disposal of sewage effluent will not be permitted.

(f) All laws and rules of the Health District and the Ohio Department of Health pertaining to individual sewage disposal systems shall be followed.

(g) All drip distribution system design, installation, maintenance and operation criteria must be adhered to.

(h) A permanent legal mechanism shall be created through deed restrictions whereby an entity is established which assumes the legal and financial responsibility for the biannual inspection and required maintenance of all sewage treatment systems in accordance with the Board of Health Subdivision criteria. Service contracts are required for all drip distribution sewage treatment systems.

(i) In the event that the Association dissolves, terminates or is otherwise rendered defunct, any environmental covenants, easements, servitude, deed restrictions or other interests that created responsibilities of the Association regarding sewage systems shall continue to apply to each Lot and become the responsibility of the Owner until the Lot, if ever, is tied into a sanitary sewer system. An amendment, annulment, waiver, and/or dissolution of the restrictions required by the Health District may not occur unless approved in writing by the Health District prior to the amendment, annulment, waiver and/or dissolution.

SECTION 7. Continuation of Restrictions.

The restrictions contained in this Article V shall continue to apply to each Lot until the Lot, if ever, is tied into a sanitary sewer system.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments.

The Owner of any Lot or Living Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

(a) An annual assessment, which shall be adjusted as needed and shall be adequate for the continued operation, maintenance and repair of the System and for the other Areas of Common Responsibility; and for the Association's performance of its other functions

and responsibilities, including legal and accounting fees and other fees and expenses necessary to accomplish the Association's purposes; and

(b) Special assessments for improvements or other capital expenditures, for emergency, operating, maintenance or repair costs, and for other costs and expenses not anticipated in determining the applicable annual assessment. Each assessment shall be in the same amount, for each such Lot or Living Unit. Each Lot or Living Unit of an Owner shall be subject to a lien in favor of the Association securing any and all unpaid annual and special assessments, as hereinafter provided. All annual and special assessments, together with interest as hereinafter provided, shall be a charge upon such Lot or Living Unit and if not paid within thirty (30) days after their due date, the Association shall have a lien upon the Lot or Living Unit for which such assessment has not been paid. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

SECTION 2. Annual Assessments; Initial Payment to Association.

The annual assessment shall be levied annually by the Board in such amounts as in their discretion shall be reasonably necessary to meet expenses anticipated during the ensuing year and to accumulate reasonable reserves for anticipated future operating or capital expenditures. The annual assessment shall be due and payable by February 1 of each year, with the first annual assessment being due at Closing. At the annual meeting of the Members, the amount of the annual assessment as levied by the Board may be increased or decreased by the affirmative vote of Members entitled to exercise a majority of the voting power of the Association. The initial annual assessment shall be Two Hundred Dollars (\$200) per Lot or Living Unit. Assessments are due and payable regardless of whether or not a Living Unit has been constructed on a Lot. The Developer has no obligation to pay any assessment upon any Lot owned by Developer.

SECTION 3. Special Assessments.

Special assessments may be levied by the Association from time to time at a meeting of the members by the affirmative vote of Members entitled to exercise a majority of the voting power of the Association and, if there be more than one class of membership, then by the affirmative vote of Members entitled to exercise a majority of the voting power of each class of membership, provided that written notice shall be given to each Member at least thirty (30) days in advance of the date of such meeting stating that a special assessment will be considered at and discussed at such meeting. Special assessments may, if so stated in the resolution authorizing such assessment, be payable in installments over a period of years.

SECTION 4. Due Dates of Assessments; Defaults.

The due date of the annual assessments shall be February 1 in each year. The due date of any special assessment or installment thereof shall be fixed in the resolution of the Members authorizing such assessment, and prior written notice of such special assessment or installment thereof shall be given to each Owner.

If an annual or special assessment, or installment of a special assessment, is not paid within ten (10) days after the due date, such delinquent assessment or installment shall bear interest from the due date at the rate of twelve percent (12%) per annum, and the Association may after a thirty (30) day period bring an action at law against the Owner responsible for the payment of such assessment, and (additionally or alternatively) may foreclose the lien against the property, and in the event a judgment is obtained, such judgment shall include interest on the assessment or installment amount as above provided, together with the costs of the action and reasonable attorneys' fees.

The Association may file in the office of the County Recorder a Certificate of Lien with respect to the System and/or a Notice of Lien to evidence any delinquent assessment or installment, but the Association shall not be under any duty to file such Lien and its failure or omission to do so shall not in any way impair or affect the Association's lien and other rights in and against the property and against the Owner of such property.

SECTION 5. Statement of Unpaid Assessments of Charges.

Any prospective grantee or mortgagee of a fee or undivided fee interest in a Lot or Living Unit may rely upon a written statement from the President, Vice President or Treasurer of the Association setting forth the amount of unpaid assessments of charges with respect to such fee or undivided fee interest. In the case of a sale of any such interest, no grantee shall be liable for, nor shall the interest purchased be subject to a lien for, any unpaid assessments which became due prior to the date of such statement and which are not set forth in such statement; nor shall the membership privileges of such grantee (or his household or guests) be suspended by reason of any such unpaid assessment. In the case of the creation of any mortgage, any lien of the Association for unpaid assessments which became due prior to the date of such statement and which are not set forth in such statement shall be subordinate to such mortgage.

ARTICLE VII

PROTECTIVE COVENANTS

SECTION 1. Single Family Restriction.

No building, other than one (1) single family residence and attached garage, shall be erected, placed, or suffered to remain on any Lot and no such single family residence shall be occupied by more than one (1) family and members of its domestic staff. Nothing herein shall be deemed to preclude the construction and maintenance of a pool house or bath house upon any building lot upon which there is then located a swimming pool. Basketball and tennis courts shall be permitted.

A maximum of one (1) accessory building to the Living Unit may be constructed on a lot, provided it does not exceed one hundred forty-four (144) square feet in area, does not exceed twelve (12) feet in height from the established grade, is constructed with materials similar in type and color to the Living Unit, adheres to the same side yard setback as the Living Unit and is located no closer than twenty (20) feet from a rear property line, riparian setback or wetland area. No accessory building shall be constructed prior to the Living Unit. Approval, prior to the construction of said accessory building, shall be obtained from the Developer or the Association.

SECTION 2. Land Use.

No industry, business, trade, occupation or profession of any kind whether for commercial, religious, educational, charitable, or other purposes shall be conducted, maintained or permitted on any Lot or in any Living Unit except such as may be permitted by the Association, and except that:

(a) The Developer may perform or cause to be performed such work and conduct such activities as are incident to the completion of the development of the Property, to the construction of Living Units, and to the sale or lease of Lots or Living Units, including but not limited to the maintaining of model houses, and sales offices by the Developer. Nothing herein contained shall restrict the right of the Developer to delegate or assign its rights hereunder to an authorized builder, building company or other person, firm or entity.

(b) An Owner, the Association, or its agent or representative may perform or cause to be performed any maintenance, repair or remodeling work with respect to any Lot, Living Unit, or Association responsibility.

SECTION 3. Architectural Control.

No building, fence, wall or other structure, including, without limitation, any structure used for the receipt or transmission of radio or television signals except a television antennae of the type customarily used in residential areas in the immediate vicinity, shall be commenced, erected or maintained upon any Lot or Living Unit except by the Developer, or by a builder or building company authorized by the Developer, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, elevations, shape, heights, materials, colors and location of the same have been submitted to and approved in writing as to harmony or external design and relocation in relation to surrounding structures and topography by the Board, or by an architectural committee composed of three or more representatives appointed by the Board. Notwithstanding anything to the contrary herein, no Lot shall be architecturally approved if the Living Unit to be constructed thereon has less than 2,200 square feet of living area (excluding basements, garages, breezeways and porches) for a one-story Living Unit; 2,500 square feet of living area for a one and one-half story Living Unit; and 2,800 square feet of living area for all two-story Living Units. Plans and specifications must be submitted setting

forth the exterior colors, materials used, front door selection, roof color and garage door design, landscaping, etc. In the event the Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

SECTION 4. Traditional Style.

All Living Units shall be of a traditional style. No log cabins, domes, bi-levels, raised ranches or A-Frames will be permitted.

SECTION 5. Address Marker Requirements. Each dwelling shall include a 12" x 16" sandstone address marker which shall be placed on the front elevation of the Living Unit.

SECTION 6. Front Elevation Requirements. The square footage of the front elevation, exclusive of window and door openings shall be a minimum of twenty-five percent (25%) brick or stone. All exterior exposed foundations shall be brick or stone. Brick pattern concrete is not acceptable. Additionally, for Living Units located on corner lots, the square footage of the front elevation and the square footage of the side elevation facing the side street shall be a minimum of twenty-five percent (25%) brick or stone.

SECTION 7. Garages.

Each Living Unit shall have at least a two-car side entry attached garage with minimum dimensions of twenty-two feet by twenty-two feet (22'x 22'). Each garage shall have a concrete floor and all garages shall be equipped with garage doors.

SECTION 8. Landscaping; Driveways; Sidewalks.

Each Lot shall be fully landscaped, including lawns, within six (6) months after occupancy. All driveways and sidewalks shall consist of either asphalt or concrete and shall be installed within six (6) months after issuance of an occupancy permit. Seeding of the building site must be timely, and in accordance with all applicable regulations, in order to minimize erosion and control sediment.

SECTION 9. Roofs: Gutters and Downspouts.

All Living Units shall have a sloping roof with a minimum pitch of eight/twelve (8/12). All Living Units and other structures shall have gutters and downspouts for conducting water away from walls and foundations and such gutters and downspouts shall not be tied into the System.

SECTION 10. Foundations.

All exposed portions of foundation walls shall be covered with brick or stone on the front of the Living Unit and on all sides facing the street.

SECTION 11. Lights, Light Posts and Mail Boxes.

Each Lot, upon the construction of a Living Unit therein, shall have installed: (a) a treated wood or metal light post located along side of the driveway at the street right-of-way and; and (b) a deluxe six inch (6") square treated mail box post assembly and mail box as specified and/or supplied by the Developer at the Owner's cost. The mail box post may, at the Owner's option, either be of natural finish or painted black or white in color. The light post shall be painted black in color. An electric light fixture with a day/night photocell shall be installed on the light post and shall be maintained by the Owner in good working condition and shall be controlled by a day/night photocell switch. The lights shall be on from dusk until dawn daily. No outdoor security lighting shall project beyond the boundaries of the Lot on which it is installed.

SECTION 12. Underground Wiring.

All Living Units or other structures shall be serviced by underground electric, telephone, and cable facilities. No Lot shall be serviced by overhead electrical poles and wires.

SECTION 13. Prohibition Against Storage of Vehicles.

No commercial vehicles or trailers of any kind shall be stored or parked on any building lot, nor parked on the roadway. No recreational type truck, trailer or vehicle, and no boat shall be stored or parked on any portion of any Lot except such vehicles may be parked in rear yards in a closed garage or concealed from the roadway and other building lots by hedges, lattice work, or other screening subject to Board approval and in compliance with all local regulations.

SECTION 14. Fences.

No fence or other device installed for the purpose of separating Lots (other than natural shrubbery) shall be maintained on any Lot, without the prior written approval of the Board. Any approved fence must comply with all applicable City permits. No clothes line or clothes pole or other device or mechanism for the hanging of clothes shall be maintained on any Lot.

SECTION 15. Nuisances.

No noxious or offensive activity shall be carried on upon any Lot or Living Unit nor shall anything be done thereon or therein, either willfully or negligently which may be or become an annoyance or nuisance to any other Lot or Living Unit.

SECTION 16. Temporary Structures.

No temporary buildings or structures (including, without limitation, tents, shacks and storage sheds) shall be erected or placed upon any Lot or Living Unit without the prior approval of the Board. No such temporary building or structure nor any trailer, basement, tent, shack, garage, barn or other building shall be used on any Lot or Living Unit at any time as a residence either temporarily or permanently. Nothing herein contained shall prohibit the erection and maintenance of temporary structures as approved by the Developer incident to the development and construction of the Property.

SECTION 17. Prohibition of Temporary Residences. No trailer, basement, tent or other outbuildings shall be used as a residence temporarily or permanently, nor shall any residence of a temporary character be permitted.

SECTION 18. Time Restriction for Exterior Structure Construction. In no instance shall the construction on the exterior of a Living Unit extend beyond one (1) year from the date construction commenced.

SECTION 19. Street Damage. No Owner shall damage any streets and/or curbs within the Subdivision or permit any contractor or material men to damage said street and/or curbs during the period of any dwelling construction or said Owner shall be personally liable for the cost of repairing such street, and shall hold Developer, its successors and assigns harmless from any liability to any governmental entity for the cost of repairing such street and/or curb.

SECTION 20. Signs.

No signs of any kind shall be displayed to the public view by the Owner on any Lot or Living Unit except one sign of not more than five (5) square feet advertising the property for sale, and political signs in compliance with all applicable local regulations, or signs used by the Developer or authorized by Developer or the Board to advertise the Property during the construction and sales periods for such Lot.

SECTION 21. Oil and Mining Operations.

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or Living Unit nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or Living Unit. No derrick or other structures designed for use in boring for oil or natural gas shall be erected,

maintained or permitted upon any Lot or Living Unit. Notwithstanding the foregoing, gas line easements are permitted as shown on the Plat of the Subdivision.

SECTION 22. Pets.

No animals or birds of any kind shall be raised, bred or kept on any Lot or Living Unit except that dogs, cats and other normal household pets may be kept provided that the maximum number of any one species is two (2) and the maximum aggregate number of all pets shall not exceed three (3). No animals shall be kept, bred or maintained for any commercial purposes nor permitted to cause or create a nuisance or disturbance anywhere in the Subdivision.

SECTION 23. Garbage and Refuse Disposal.

No Owner or occupant of any Lot or Living Unit shall deposit or leave garbage, waste, putrid substances, junk or other waste materials on any Lot, Living Unit or on any other part of the Property or on any public street or other public property or in any lake, pond or water course nor permit any other person to deposit any of such materials on any property owned by, or in the possession of, such Owner or occupant. An Owner or occupant of any Lot or Living Unit may keep such garbage and refuse as shall necessarily accumulate from the last garbage and rubbish collection provided any such garbage is kept in sanitary containers which shall be subject to regulation by the Board, which containers and refuse shall be kept from public view, except on the day scheduled for garbage and rubbish collection.

As used in this Section, "waste material" shall mean any material which has been discarded or abandoned or any material no longer in use; and without limiting the generality of the foregoing, shall include junk, waste boxes, cartons, plastic or wood scraps or shavings, waste paper and paper products and other combustible materials or substances no longer in use, or if unused, those discarded or abandoned; metal or ceramic scraps or pieces of all types, glass or other non-combustible materials or substances no longer in use, or if unused, those discarded or abandoned; and machinery, appliances or equipment or parts thereof no longer in use, or if unused, those discarded or abandoned.

As used in this Section, "junk" shall mean abandoned, inoperable, partially dismantled or wrecked vehicles of any kind, whether motor vehicle, automobile, motorcycle, emergency vehicle, school bus, bicycle, commercial tractor, agricultural tractor, house trailer, truck, bus, trailer, semitrailer, pole trailer, railroad train, railroad car, street car or trackless trolley, aircraft, lighter-than-air-craft, watercraft or any other form of device for the transportation of persons or property; and without limiting the generality of the foregoing, with respect to any automobile or other transportation device of any kind the operation of which requires issuance of a license by the United States Government or any agency thereof or by the State of Ohio or any agency or political subdivision thereof, any such automobile or other transportation device shall be deemed to be junk unless a current valid license has been issued for the operation of such automobile or other transportation device and (if required by law) is displayed upon such automobile or other transportation device.

SECTION 24. Mowing.

The Owner of each Lot shall mow or cause to be mowed all grass or other vegetation thereon, except decorative landscaping, ground cover and garden plants, to a height not exceeding four inches.

SECTION 25. Exterior Maintenance.

The Owner of each Lot or Living Unit shall provide reasonable exterior maintenance upon each such Lot or Living Unit as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, drains, catch basins, sewers, traps, driveways, walks and all other exterior improvements. All necessary maintenance of the Living Unit or other permitted structures shall be done in a manner, to conform to the original architectural design. Each Owner of a Lot shall, at his sole costs and expense, repair his Living Unit, keep the same in condition comparable to the condition of such Living Unit at the time of its initial construction, excepting only normal wear and tear.

SECTION 26. Designated Wetlands and Riparian Corridor Requirements.

The wetlands and riparian setback restrictions as delineated on the Plat are intended to preserve from disturbance, removal or destruction of, any vegetation, watercourse or wetland located therein and to thereby preserve and protect the natural environment as a whole. Within the wetlands and riparian setbacks delineated on the Plat, each Owner shall prevent the disturbance, removal or destruction of any vegetation, and the removal, destruction or filling in of any watercourse or wetland.

SECTION 27. Damage or Destruction of Living Unit.

If all or any portion of a Living Unit is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence and dispatch, to rebuild, repair or reconstruct such Living Unit in a manner that will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within six (6) months after the occurrence of the casualty and shall be completed within eighteen (18) months after the occurrence of the casualty, unless prevented by causes beyond the control of the Owner.

SECTION 28. Open Burning

No Owner shall engage in open burning on any Lot unless a written permit is first obtained from the City of Kirtland and the Lake County General Health District.

SECTION 29. Invalidity of Restriction.

If it shall be held that any restriction or restrictions herein or any part of any restriction herein, is invalid or unenforceable, no other restriction or restrictions, or any part thereof, shall be thereby affected or impaired.

SECTION 30. Correction by Association of Breach of Covenant.

If the Board, after giving reasonable notice to the Owner of the Lot or Living Unit involved and reasonable opportunity for such Owner to be heard, determines by the affirmative vote of two-thirds (2/3) of the authorized number of Trustees that a breach of any protective covenant has occurred and that it is necessary in order to prevent material deterioration of neighborhood property values that the Association correct such breach, then after giving such Owner notice of such determination by certified mail, the Association, through its duly authorized agents or employees, shall enter upon the Lot or Living Unit involved and correct such breach of covenant by reasonable means. The cost of such correction of a breach of covenant shall be assessed against the Lot or Living Unit upon which such corrective work is done, and shall become a lien upon such Lot or Living Unit and the obligation of the Owner thereof, and immediately due and payable, in all respects as provided in Article VI hereof.

Any Owner of a Lot or Living Unit affected by such a determination of the Board to correct a breach of covenant pursuant to this Section may, within ten (10) days after the date of the mailing of the certified mail notice of such determination, appeal such determination to the membership by sending a Notice of Appeal to the President or Secretary of the Association by registered or certified mail at the address of such officer as it appears on the records of the Association at the time of such mailing. No action shall be taken or authorized by the Board pursuant to any such determination until after ten (10) days have elapsed from the date the certified mail notice to the Owner involved was mailed, and, if Notice of Appeal has not been received by the President or Secretary (or other office in the absence of the President or Secretary) within such ten (10) day period, then the Association may take or authorize the taking of action pursuant to such determination; but if within such period such Notice of Appeal has been received, or if after such period but before the taking of such action a Notice of Appeal is received which has been mailed within such ten (10) day period, then no action shall be taken pursuant to such determination until such determination has been confirmed at a meeting of the Members by the affirmative vote of Members entitled to exercise a majority of the voting power of the Association, and if there be more than one class of membership, then by the affirmative vote of Members entitled to exercise a majority of the voting power of each class of membership, provided that written notice shall be given to all members at least thirty (30) days in advance of the date of such meeting, stating that such determination and Notice of Appeal will be considered at such meeting.

SECTION 31. Injunctive Relief.

In the event of a breach, or attempted or threatened breach by an Owner of any of the terms, covenants and conditions hereof, the Developer and/or the Association shall be entitled, forthwith, to full and adequate relief by injunction and/or all such other available legal

and equitable remedies from the consequence of such breach, except that no Owner of a Lot may terminate this Declaration with respect to his or her Lot because of such breach, and any deed, lease, assignment, conveyance or contract made in violation of this Declaration shall be void and may be set aside upon petition of Developer and/or the Association. All costs and expenses (including attorneys fees, which fees shall be based upon the usual, customary and reasonable hourly rate at the time incurred) of any such suit or proceeding shall be assessed against the defaulting Owner and shall constitute a lien, until paid, against the Lot or the interest of such defaulting Owner as of the date it was deeded, leased, signed, conveyed or contracted for in violation of this Declaration. The remedies specified herein shall be cumulative as to each and as to all other permitted at law or in equity. Failure or neglect to enforce the foregoing restrictions, rights or easements shall in no event be construed, taken or held to be a waiver thereof.

SECTION 32. Additional Remedies for Breach of Covenant and Restrictions.

In addition, for each day of any violation of any of the covenants hereinafter the expiration of ten (10) days written notice to the Owner of such alleged violation, there shall be due and payable by the Owner a fine of \$50 and such fine shall be subject to collection and secured in the same manner as assessments not paid by the Owner under Article VI, Section 4 hereof.

ARTICLE VIII

DURATION. WAIVER AND MODIFICATION

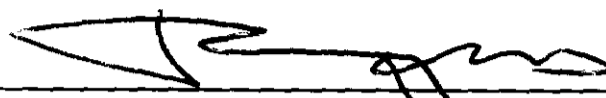
SECTION 1. Duration and Provision for Periodic Modification.

The covenants and restrictions of this Declaration shall run with the land and shall inure to the benefit of and be enforceable by and against the Association, the Developer and any other Owner and their respective legal representatives, heirs, devisees, successors and assigns until April 15, 2058, after which time, said covenants and restrictions shall be automatically renewed for successive periods of five (5) years each unless modified or canceled, effective on the last day of the then current term or renewal term, at a meeting of the Members by the affirmative vote of Members entitled to exercise a majority of the voting power of the Association, provided that such effective date, and written notice of any scheduled renewal is duly provided to each Owner of a Lot or Living Unit.

The covenants and restrictions of this Declaration may be amended by written instrument signed by no less than two-thirds (2/3) of the Owners of all Lots and Living Units. Any such amendment shall be properly recorded with the Lake County Recorder, or his successor.

IN WITNESS WHEREOF, Developer, by and through its authorized representative, Bojan R. Knez, hereby makes this Second Amendment to Declaration on this 7 day of September, 2006.

STONECREEK LAND COMPANY, LLC



By: Bojan R. Knez, Managing Member

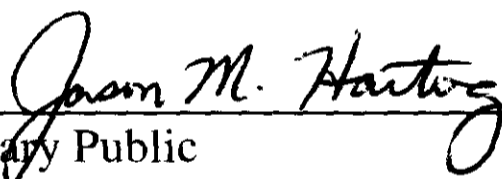
STATE OF OHIO)
) ss:
COUNTY OF LAKE)

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named Stonecreek Land Company, LLC, by Bojan R. Knez, Managing Member, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of Stonecreek Land Company, LLC, and the free act and deed of him individually.

IN TESTIMONY WHEREOF, I have set my hand and official seal at
Perry Twp _____, Ohio, this 7 day of September _____, 2006.



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Notary Public

Jason M. Hartog
Notary Public, STATE OF OHIO
My Commission Expires Sept. 24, 2008
Recorded in Lake County