

DECLARATION OF RESTRICTIVE COVENANTS
CORNERSTONE SUBDIVISION
WESTLAKE, OHIO

RECITALS

- A. Westlake Land Developers, Inc. (herein "Westlake Land Developers") is the owner of certain real property (herein the "Property") located in the City of Westlake, County of Cuyahoga, and State of Ohio being that real property acquired by Westlake Land Developers, Inc. by Deed recorded in Volume
- B. Westlake Land Developers, Inc. has subdivided a portion of the Property into a multi-phase subdivision under the name Cornerstone Subdivision, and known as Cornerstone One. Westlake Land Developers, Inc. intends further subdivision of said property to be known as Phase II.
- C. Westlake Land Developers, Inc. has created a Homeowners Association and desires to establish restrictive covenants in order to assist in the maintenance of certain areas and to maintain the integrity and create a general plan to control the development of Cornerstone Subdivision.
- D. Westlake Land Developers, Inc. requires and mandates that all lot owners in Cornerstone Subdivision shall become members of said Homeowners Association and shall comply with said restrictive covenants.
- E. Westlake Land Developers, Inc. has filed a plat subdividing the first phase of Cornerstone Subdivision in the official records of Cuyahoga County, Ohio, such phase to be called Cornerstone One.
- F. Westlake Land Developers, Inc. intends these restrictive covenants to be filed together with the aforesaid plat to become affective as to the real property to be described on said plat as well as the real property to be described on any subsequent plats to be filed to subdivide the additional phases of Cornerstone Subdivision, all of which comprises the property. This Declaration of Restrictive Covenants shall supplement and become a part of the plat filed as to this subdivision and any future plats filed as to any additional phases of this subdivision.

Westlake Land Developers, Inc. hereby declares for itself and its successors and assigns, including any and all future lot owners of the Cornerstone Subdivision that the Sublots described on the plat of the Cornerstone One Subdivision recorded as Volume No. 275 Page No. 98 on the 14th day of December 1995 and the Sublots described on a plat for any future phase of Cornerstone Subdivision, collectively the Property, are hereby subject to the following terms conditions and covenants:

1. All fencing to be chain link or wrought iron only, size to conform with Westlake City Code, with proper landscape screening.

2. The fronts of all residences shall be either all brick, brick and wood combination, stone and wood combination, or stucco only. The remaining sides shall be either brick, wood or stucco only.
3. All roofs shall be a minimum of 8/12 pitch with 260lb asphalt roof or greater.
4. All residences shall have side or rear load garages.
5. All residences to be constructed shall be a minimum of 3,000 square feet finished, excluding basement and garage.
6. All residences to have underground water sprinkling system.
7. All landscaping plans to conform with original City of Westlake drainage requirements.
8. No above ground swimming pools.
9. A Homeowners Association has been formed and all lot owners are required to join such association. The purposes of the association shall be to share in the annual maintenance of the entrance way, cul-de-sacs, and any other common areas as shown on plat of Cornerstone Subdivision and to assist in the compliance and enforcement of these restrictive covenants. Westlake Land Developers, Inc. or its designated successor shall set the annual maintenance fee and notify in writing each lot owner of its proportionate share. If a lot owner fails to pay its proportionate share within forty five days of the date of the written notice, Westlake Land Developers, Inc. or its successor or assigns may file a lien against such lot owner's lot and may seek what legal recourses are available to collect such fee.
10. These restrictive covenants shall apply to Cornerstone Subdivision and any future phases, as represented by a duly recorded plat, of Cornerstone Subdivision. These restrictive covenants shall be deemed to be running with the land for the benefit of Westlake Land Developers, Inc. its successors and assigns and all lot owners within the Cornerstone Subdivision.

REGULATIONS OF
THE CORNERSTONE ASSOCIATION

A NONPROFIT CORPORATION

24048 Lorain Road, North Olmsted, Ohio 44070

ARTICLE I. OFFICES

Section One: Principal Office.

The principal office of the corporation in the State of Ohio shall be located at 24048 Lorain Road, North Olmsted, Ohio 44070.

ARTICLE II.

Section One: Definitions

(a) The Association: The Cornerstone Homeowners' Association, an incorporated association not for profit.

(b) The Association Estate: The Association Estate shall consist of easements for the maintenance and repair of the access to the Retention Basin Area, maintenance of the perimeter landscaping in the Retention Basin Area, maintenance of the Entry Island and Cul-de-Sac Circles in the right-of-ways and ownership of Blocks A, B and D as designated on the Recorded Plat along with the obligation to maintain and repair the brick entry wall and landscaping on said Blocks A, B and D.

(c) The Board: The Board of Trustees of the Association.

(d) Developer: The present owner and developer of the Cornerstone Subdivision Phases I and II, and its successors and interests, assigns or designees.

ARTICLE III. MEMBERS

Section One:

The Association shall have two (2) classes of members. The designation of such classes and the qualifications and rights of the members of such classes shall be as follows:

(a) Full Membership: The sole or joint fee simple owner(s) of a Sublot in the Cornerstone Subdivision Phase I or II and the rights and privileges of such full membership shall inure to the benefit of the holder(s) thereof and, with the exception of voting rights, to his immediately family.

(b) Absent Membership: In the event a holder of one (1) Full Membership shall cease to reside in the Cornerstone Subdivision Phase I or II, but maintain ownership of a Sublot in the said Subdivision, the Board may grant such holder an Absent Membership as set forth in Article XI Section Three.

ARTICLE IV. MEETINGS

Section One: First Annual Meeting

Within thirty (30) days after the Twentieth (20th) Sublot in the Cornerstone Subdivision Phase I has been sold the chairman of the Board shall notify all members thereof, and the first annual meeting of the Association shall be called by the Chairman to be held within thirty (30) days thereafter. At such meeting the initial Board shall resign and all members shall elect a new Board of Trustees.

(a) Until such time that the first annual meeting is held, the initial Board, as designated in the Articles, shall be empowered to do all acts that the new Board and/or Association could perform as if already elected.

Section Two: Annual Meetings

At the time of the first annual meeting, the members shall designate a time for the subsequent annual meetings of the Association for the purpose of electing trustees and for the consideration of reports.

Section Three: Special Meetings

Special meetings of all holders of Full Memberships in the Association may be held at the call of the chairman of the Board of Trustees of the Association, or upon the request in writing directed to the Chairman of, (a) a majority of the members of the Board, or (b) ten (10) holders of (1) Full Membership each, and the time and place of such special meeting shall be designated by the chairman.

Section Four: Quorum

A quorum required for the carrying on of business at all meetings of the Full Membership of the Association shall consist of fifty-one percent (51%) of all holders of Full Memberships in the Association, but a lesser number may adjourn from time to time until such a quorum shall be present.

ARTICLE V. VOTING RIGHTS

Section One: Voting Rights

All holders of one (1) Full Membership or one (1) Absent Membership shall be entitled to cast one (1) vote on matters coming before the Association at its annual or special meetings, but provided that no joint holder(s) of one (1) Full Membership or one (1) Absent Membership shall be permitted to cast fractional votes in relation to the extent of their individual interest.

Section Two: Voting

All matters coming before the Association at annual or special meetings shall be decided by the majority vote of those present and voting, provided however, that no item of capital expense in a greater amount than Five Hundred Dollars (\$500.00) shall be authorized unless a motion therefore be supported by the affirmative votes of seventy-five percent (75%) of those present and voting.

Section Three: Proxy Votes

Upon the calling of the roll of Full and Absent Members for the purpose of casting votes upon any matter coming before the Association at its annual or special meetings, the Secretary shall not count any vote cast by a person other than holder of one (1) Full Membership or one (1) Absent Membership. Such holders may be represented by their spouse or, in the event of their physical absence from the Cornerstone Subdivision Phase I or II, by a member of their immediate family over the age of eighteen (18) years.

Section Four: Secret Ballot

No matters coming before the Association at its annual or special meetings shall be decided by the use of a secret ballot, save the election of Trustees, provided however, that the chairman may, at his sole discretion, call for a secret ballot upon those matters whose cause may be more equitably served by the use of such secret ballot.

ARTICLE VI

Section One: Number of Trustees

The Board of Trustees of the Association shall consist of three (3) members, all of whom shall be holders, solely or jointly, of at least one (1) Full Membership and whose assessment shall be current.

Section Two: Term and Election

All trustees of the Association shall serve a term of two (2) years with the exception of those trustees elected at the first annual meeting. At the first annual meeting, one (1) trustee shall be elected to serve a term of one (1) year, one trustee shall be elected to serve a term of two (2) years, and the third trustee shall be elected to a term of three (3) years so that at least one (1) trustee shall be elected at each annual meeting.

Section Three: Vacancies

Any vacancy occurring on the Board shall be filled by appointment upon the decision of the Board. Such appointed trustee shall serve for the remainder of the term for which the holder thereof had been elected, and he shall have all the rights, privileges and duties elected member of the Board.

Section Four: Meetings

The Board shall meet at least once each month, at a time and place designated by the chairman. Special meetings of the Board may be held upon the call of the chairman or at the request in writing directed to the chairman, of any two members thereof. Personal notice of such meetings shall be sufficient if given to the members at least three (3) days prior to any meeting.

Section Five: Quorum

A quorum required for the carrying on of business at all meetings of the Board shall consist of a majority of the whole number of Trustee, but a lesser number may adjourn from time to time until such a quorum shall be present.

Section Six: Powers, Duties and Activities of the Board

The Board, by the majority affirmative vote of the total number of Trustees elected thereto, shall:

- (a) conduct, regulate, manage and direct the affairs of the Association in all matters pertaining to the continued efficient operation and maintenance of the Association estate; and
- (b) employ, contract for, or in any other manner provide for the services of all persons necessary to effect the continued efficient operation and maintenance of the Association estate; and
- (c) maintain close supervision of the financial structure of the Association estate; and
- (d) appropriate funds for, and authorize the payment of, and all legitimate expenses or debts of the Association to the extent that funds are available or reasonably anticipated; and
- (e) keep a record of all transactions of the Association and report such record to the Full Membership at the annual meeting of the Association; and

(f) prepare a financial statement of the Association each year and make such statement available in writing to each Full Member of the Association; and Purchase Agreement - acknowledge & accept homeowners association

(g) assess, levy and collect such monies as may be determined by the Board as necessary and proper for the continued efficient operation and maintenance of the Association Estate, provided that such monies shall be assessed, levied and collected from all holders of one (1) Full Membership or one (1) Absent Membership in a like and equal amount; and

(h) have the power to set aside certain funds in reserve accounts, should such account be, from time to time, deemed necessary for the continued efficient operation and maintenance of the Association Estate; and

(i) recommend to the Full Membership from time to time certain improvements, major additions or repairs, and other capital expenditures which may enhance the Association Estate; and

(j) proceed on behalf of all Full Members of the Association with necessary legal action or remedy, at law or in equity, to protect the rights, privileges and interests set out herein, or set out in the zoning ordinances in the City of Westlake, and to employ, contract for, or in any other manner provide for the services of all persons necessary to effect the intention of this paragraph.

The Board shall not have the power to encumber the Association Estate in any manner, and shall not borrow funds for any reason nor authorize performance of services for which funds are not available or reasonably anticipated, provided, however, that nothing in this Section shall preclude the Board from accepting gifts or contributions on behalf of the Association for the purposes thereof, and expending the same in usual manner.

Section Seven: Officers of the Board

The Board shall elect from its own membership:

(a) a chairman, who shall be the Chief Executive Officer of the Association, shall preside at all annual meetings of the Association and at all meetings of the Board, and shall execute all documents necessary and proper for the continuation of the Association business; and

(b) a secretary, who shall keep the Association records, maintain the membership rolls, and prepare the reports necessary for the information of the Board and the Full Membership; and

(c) a treasurer, who shall be the Financial Officer of the Association, maintain bank accounts in the name of the Association, deposit and disburse all funds resultant from Association business and prepare financial statements required for the information of the Board and the Full Membership. The treasurer shall be bonded in an amount set by the Board, and the cost of such bond shall be borne by the Association. The Board may waive the requirement of a bond if it feels it is financially prohibitive.

Section Eight: By-Laws

The Board may adopt certain By-Laws for the conduct of its business by a majority vote of all members of the Board. Such By-Laws may be amended, repealed or revised in a like manner of the adoption.

Section Nine: Rules and Regulations of the Association Estate

The Board may adopt certain rules and regulations for the use of the Association Estate by the Membership by a majority vote of all members of the Board. Such rules and regulations may be amended, repealed or revised in a like manner of their adoption.

ARTICLE VII. ASSESSMENT

Section One: Power to Assess

The Board shall determine the amount of money necessary to the continued operation and maintenance of the Association Estate, and shall assess each holder of one (1) Full or Absent Membership the proportion of cost that one (1) Full or Absent Membership bears to the total cost, provided that no holder of a Full or Absent Membership be assessed an amount greater than any other holder thereof.

Section Two: Levy and Collection

The Board shall make known the annual assessment to each holder of one (1) Full or Absent Membership on or before January 1st of the year in which the assessment will be payable.

The Board shall levy the annual assessment upon the various Membership of record as of January 1st each year, provided however, that at the first meeting, the Board shall levy the annual assessment within Thirty (30) days thereafter. The Board shall have the power to prorate any assessment in a manner and amount which it shall determine equitable, provided, however, that no assessment upon holders of Membership of record as of January 1st of any year shall be prorated after August 1st of that year, and provided that no assessment of holders of Membership of record after January 1st of any year but before July 1st of that year shall be prorated.

Holders of Full or Absent Membership shall have the option of paying the assessed amount in full within thirty (30) days after the receipt of notice of assessment or of paying one-half (1/2) of the assessment on or before July 1st of the year of assessment.

Section Three: Default

Should any holder of a Full or Absent Membership in the Association fail to pay the required assessment, he shall be given an additional thirty (30) days in which to make payment and shall be assessed a penalty not to exceed ten percent (10%) of the total payment due, said penalty to be determined by the Board, and should payment remain in default beyond that time, the amount shall become a lien upon the real property held by the

Full or Absent Member in default shall be subject to foreclosure in the manner provided by the laws of the State of Ohio, and shall bear interest at the rate of Ten Percent (10%) per annum plus costs until paid.

The term "penalty" as used in this section shall be deemed to mean liquidated damages for the breach of contract obligations herein contained, and shall in no way represent interest carrying charges for late payment.

ARTICLE VIII. DEPOSITORY

Section One: Official Depository

The depository shall be designated by the developer or at the first annual meeting. Depository may be changed subject to and directed by a majority vote of the members to the Homeowner Association.

Section Two: Signature Requirements

No funds shall be disbursed from the Association accounts except by check or bank draft signed by the treasurer and one other Trustee.

ARTICLE IX. BOOKS AND RECORDS

Section One: Location

The Board shall keep all records, books and papers of the Association in one suitable location readily accessible to all members of the Association.

Section Two: Right of Inspection

Any member of the Board may inspect the records, books and papers of the Association at any time.

Any holder of a Full or Absent Membership may inspect the records, books and papers of the Association upon a request in writing directed to the secretary, stating the proposed time of such inspection to be at no earlier time than five (5) days after the receipt of such request by the secretary.

ARTICLE X. PROCEDURE

Section One: Rules of Order

The Board may adopt any procedural rules as to the conduct of its business which do not conflict with the provisions of these Articles and By-Laws, and the Laws of the State of Ohio with reference to non-profit, unincorporated business enterprises.

In absence of any procedural rule previously adopted by the Board governing a specific instance, the established rules of parliamentary procedure as set out in the standard edition of Roberts' Rules of Order shall prevail.

ARTICLE XI. RIGHTS OF THE DEVELOPER

Section One:

The developer shall have the following duties and rights:

(a) The Developer, until such time the first annual meeting is held as set forth in Article IV, shall be the sole Trustee of the Association

(b) The Developer, shall be responsible for all costs and fees related to the maintenance of the areas described in Article II, Section One (b) until such time the annual meeting is held.

(c) The Developer, during its term as sole Trustee, shall have the right to assess each full member, or absent member, an amount equal to determined by multiplying the annual assessment times (x) the number of Full and Absent members divided by the number of available lots (e.g. $\$350.00 \times 10/35 = \100.00). When Phase II is developed those lots shall be included in the formula. The developer shall have all the enforcement powers set forth in these Regulations.

(d) The Developer, after the first annual meeting and election of the Board of Trustees, shall be assessed by the Board in an amount equal to Fifty Percent (50%) of the annual assessment assessed to each full member or absent member for each lot to which he holds title that is vacant. The developer shall pay a full share on any lot upon which a house is constructed but not sold. Phase II shall be included when developed, approved and permits for construction are available from the City.

(e) The Developer reserves the sole right to establish easements for utilities, drainage, maintenance, access and for any other purpose which he, in his sole discretion, determines to be necessary for the proper development of the subdivision and adjacent properties. This right shall specifically survive and continue until such time as all phases of the subdivision are developed and approved by the City of Westlake.

Section Two: Rights and Privileges of Membership

Each holder of one (1) Full Membership shall be entitled to the use of the Association Estate in a manner provided by the Board, to exercise one (1) vote on all matters brought before the Association at its annual or special meetings, and to hold office in the Association.

Each holder of one (1) Absent Membership shall be entitled to no use of the Association Estate, to hold no office in the Association, but shall be entitled to exercise one (1) vote on all matters brought before the Association at its annual or special meetings.

Section Three: Membership Application

All holders of Full Memberships shall not be required to file any application therefore with the Board.

Should a holder of one (1) Full Membership cease to reside in the Cornerstone Subdivision Phase I or II, but maintains ownership of a Sublot in the said Subdivision, he shall make application to the Board in writing at least thirty (30) days prior to such cessation of residency for permission to hold one (1) Absent Membership and upon the majority affirmative vote approving such application, the Board will grant one (1) Absent Membership to the applicant.

Section Four: Termination of Membership

A holder of a Full Membership shall continue in that capacity until he shall no longer be an owner of a Sublot in the Cornerstone Subdivision Phase I or II, or shall be granted an Absent Membership by the Board.

A holder of an Absent Membership shall continue in that capacity until he shall return to residency in the Cornerstone Subdivision Phase I or II, or no longer be an owner of a sublot in the Cornerstone Subdivision Phase I or II.

(c) upon receipt of any notice specified in this Article, the Association and/or Board shall act immediately to procure the necessary signatures on any documents prepared by the developer.

(d) This Article shall not be amended or repeal without the express written consent of the developer, and said Article is specifically exempted from the effect of Article XII herein.

ARTICLE XII. MAINTENANCE OBLIGATION

The Developer and Association fully understands that they are required to maintain the retention basin, the access easement to the retention basin, the perimeter landscaping in the Retention Basin Area, the Entry Island, Cul-de-Sac Circles in the right-of-ways, Blocks A, B, and D as shown on the recorded plat along with the obligation to maintain and repair the brick entry wall and landscaping on Said Blocks A, B, and D, to the exclusivity of the City of Westlake, and therefore the Developer, until such time the first annual meeting is held as set forth in Article IV, and the Association thereafter hereby agree to forever release and hold harmless the City of Westlake, its agents or employees, from any surface area in the easement areas in the event the City of Westlake is required or requested to service the retention basin area.

ARTICLE XIII. ADOPTION AND AMENDMENT

Section One: Adoption

These Articles and By-Laws shall become effective upon the affixation of the signatures of the developer of the Cornerstone Subdivision Phase I or II.

Section Two: Amendment or Repeal

These Articles and By-Laws may be amended or repealed upon a motion duly carried at the annual meeting of the Association or at a special meeting called for that purpose, and the subsequent affixation of the signatures to that motion of fifty-one percent (51%) of the owners of Sublots in the Cornerstone Subdivision Phase I or II, said percentage to be determined upon the number of individual Sublots in the said Subdivision. This Article is subject to the particular provisions of Section XI.

Witnesses:

The Cornerstone Homeowners' Association

Shannon C. Beck

By Anthony M. Valore
Anthony M. Valore
Its Chairman

Shrey Yajpal

INCORPORATOR

State of Ohio) ss.
County of Cuyahoga)

I, the undersigned, a Notary Public in and for said County and State do hereby certify that Anthony M. Valore, Chairman of the Cornerstone Homeowners' Association and the Incorporator appeared before me and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act.

Notary Public