

EXPLANATION OF AMENDMENTS TO THE STONEGATE ASSOCIATION DOCUMENTS

(Pg 1)

At Stonegate's inception, the developer created and filed four documents that affect our Stonegate community: Articles of Incorporation; Declaration, By-laws and Plat Restrictions. All land owners within the development are bound by the terms of these documents.

The focus of each document is:

- **The Articles of Incorporation:** Establishes the Stonegate Landowners Association as a not for profit corporation under Ohio Non-profit Corporation law.
- **The Declaration of the Stonegate Homeowners Association:** This document establishes the general guidelines for maintenance of the common grounds, the operation of the Association and the responsibilities of the Association and its land owners.
- **The Stone Gate Association By-Laws:** The By-Laws establish further rules regarding the operation of the Association to include its meetings, officers, committees, assessments etc.
- **Plat Restrictions:** This document establishes covenants that each landowner (builders and homeowners) is to abide by in order to maintain the beauty and character of our community.

In 2008, the trustees realized that the existing documents needed revision to:

1. Clean up clerical issues and inconsistencies within the documents
2. Insert language to give the Association the necessary ability to enforce the provisions of all the documents -- especially after the developer completes his Stonegate association.
3. Include additional plat restrictions for the benefit of the community

These amendments were considered at a Special Meeting of the Association on September 21, 2008 and again at the 2009 annual meeting. Sufficient votes were not cast for passage due primarily to member absences and the inclusion of additional plat restrictions. At the 2010 Annual meeting, it was generally agreed to again provide the changes to the membership for passage but to limit them to only those necessary for the Association to operate effectively and to not include the additional plat restrictions. That is the approach now being taken in presenting the changes for adoption.

An overview of the proposed revisions follows to increase your understanding of the proposed amendments. If there is any inconsistency between the summary and the actual language of any of the amendments, the language of the amendment controls. You are encouraged to read each of the amendments carefully, and, if you so desire, to seek the advice of your own attorney or any other counselor you deem appropriate before voting on the matter. The complete amendment language is available on the Stonegate Association Website (WWW.Stonegate44241.com) in the Documents section entitled "2012 Complete Document Amendments".

EXPLANATION OF AMENDMENTS TO THE STONEGATE ASSOCIATION DOCUMENTS (Pg 2)

I. Amendment to the Articles of Incorporation:

- a. Change the place of business and the place of all meetings from Summit to Portage County.
- b. Give the Association ability to administer all of the Association governing documents, to include the Plat restrictions.

II. Amendment to the Declaration:

- a. The original declaration only provided the Association the ability to administer the Common Areas.
- b. The amendment gives the Association the ability to:
 - i. Enforce plat restrictions except for those lots owned by the developer that are vacant land. Currently, only owners can prosecute other owners for covenant violations.
 - ii. If necessary, increase the number of Trustees beyond the current limit of three
 - iii. Succeed the developer's rights once the developer leaves
 - iv. Administer all of the governing documents.
 - v. More clearly assess homeowners to cover the costs of operating the Association; eliminate conflicting approaches within the current documents
 - vi. Recover court costs and attorney's fees from members who violate the Restrictions or Declaration

III. Amendment to the By-Laws

- a. Change the place of all meetings from Summit to Portage County.
- b. Provide the Trustees the ability to select the best time for an Annual meeting versus the May or June timeframe now required.

IV. Amendment to the Plat Restrictions

- a. Include administrative changes necessary to insure consistency with the other documents -- especially the assessment process.

All of the changes to the Articles, By Laws, Declaration and Plat Restrictions are designed to give homeowners within Stonegate, through their Association, the clear and necessary ability to administer the Administration for the benefit of all homeowners -- especially following the developer's departure -- in order to maintain the quality, beauty and value of the Stonegate community. They also more clearly define the responsibilities of the Association and its members and provide a process for fairly and equitably resolving member non-compliance with any of the Association documents. The complete Amendment language is available on the Association web site at www.stonegate44241.com in the Documents section and entitled "2012 Complete Document Amendments".

THE TRUSTEES STRONGLY ENCOURAGE YOU TO VOTE FOR THESE AMENDMENTS TO ENSURE THAT YOUR ASSOCIATION WILL BE ABLE TO OPERATE EFFICIENTLY AND PRESERVE THE BEAUTY AND CHARACTER OF OUR COMMUNITY.