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Document Title: Homes Association Declaration of The Running Horse Home Owners Association
Document Date: November 27, 2004
Grantor Name: Hunt Midwest Real Estate Development, Inc.
Grantee Name: N/A
Statutory Address: Suite 100, 8300 N.E. Underground Drive, Kansas City, Missouri 64161
Legal Description: See EXHIBIT A attached
Reference Book and Page: N/A

HOMES ASSOCIATION DECLARATION OF
THE RUNNING HORSE HOME OWNERS ASSOCIATION

Stewart

THIS HOMES ASSOCIATION DECLARATION OF THE RUNNING HORSE HOME OWNERS ASSOCIATION (the "Homes Association Declaration") is made and executed as of November 29, 2004, by Hunt Midwest Real Estate Development, Inc., a Missouri corporation (the "Developer"), with a notice and mailing address at Suite 100, 8300 N.E. Underground Drive, Kansas City, Missouri 64161.

RECITALS

- A. The Developer is the owner of that certain real property located in Platte County, Missouri (the "County"), legally described as set forth on EXHIBIT A attached hereto (the "Property"), which it intends to develop into a residential subdivision known as "Running Horse."
- B. On _____, 2004, the major subdivision plat entitled "RUNNING HORSE - FIRST PLAT", covering the Property and platting the same into the Lots, Tracts and Common Area, if any, shown thereon (sometimes herein also referred to as the "First Plat Property"), was approved by the Platte County Planning Commission, and was recorded on 11-30-2004, 2004, in Book 20 at Page 59, in the Office of the Recorder of Deeds for Platte County, Missouri, at Platte City. The platted legal description of the First Plat Property is also shown on EXHIBIT A attached hereto.
- C. The Developer desires to create, establish, maintain and preserve the Property as a quality residential neighborhood possessing features of more than ordinary value.
- D. The Developer desires to subject the Property to governance by the Association (defined in Section 1.4 hereof) pursuant to the Association's powers and specific rules set forth herein.
- E. The Developer desires to subject the Property, as subdivided into Lots, Tracts and Common Areas, to the covenants, conditions and restrictions set forth herein.

DECLARATION

In consideration of the foregoing and the promises and benefits set forth herein, and to provide the means and procedures to achieve them, the Developer hereby subjects the Property, having the legal description set forth on

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EXHIBIT A attached hereto, to the following covenants, conditions and restrictions, including charges and Assessments as herein set forth. Such covenants, conditions and restrictions are hereby granted and imposed for the purpose of protecting the value and desirability of the entire Property in the aggregate and shall run with the land, be binding upon, and inure to the benefit of, the Developer and its successors, transferees and assigns and the heirs, personal representatives, successors, transferees and assigns of the Developer's transferees and assigns and all other persons and entities, who or which have, at any time, any right, title or interest in all or any part of the Property, including any Lots in the Subdivision.

ARTICLE 1. DEFINITIONS

When used in this Homes Association Declaration or in any Supplemental Declaration the following words shall have the meanings set forth below. Any capitalized term used herein or in any Supplemental Declaration which is not defined herein or in a Supplemental Declaration shall have the meaning ascribed to it in the Declaration.

- 1.1 "Annual Assessment" has the meaning set forth in Section 6.2 hereof.
- 1.2 "Articles" means the Articles of Incorporation of the Association, as amended from time-to-time.
- 1.3 "Assessments" mean the Annual, Special and Default Assessments levied pursuant to Article 6 hereof.
- 1.4 "Association" means the Running Horse Home Owners Association, a Missouri mutual benefit nonprofit corporation, and its successors and assigns.
- 1.5 "Association Documents" mean this Homes Association Declaration, the Declaration, the Articles, the Bylaws, all Supplemental Declarations, all amendments to any of the foregoing and all procedures, rules, regulations, and policies adopted by the Association pursuant to such documents.
- 1.6 "Board of Directors" means the governing body of the Association.
- 1.7 "Bylaws" means the Bylaws adopted by the Association, as amended from time to time.
- 1.8 "Common Area" means all (a) Private Streets; (b) parks not dedicated to and accepted by the County; (c) recreational areas (including any club house, any swimming pool and related facilities); (d) open or green space areas; (e) storm sewer drainage or retention facilities and improvements and easements therefor; (f) utility easements; (g) similar places which are dedicated to, or set aside for, the general, non-exclusive use of all Owners or which may, with appropriate consent, be used by all Owners or reserved for the Association's use; and (h) property of a similar character owned by the Association or brought within the jurisdiction of this Homes Association Declaration by Supplemental Declarations together with any amenities or improvements therein including, without limitation, any Subdivision entrance or identification signs or monumentation, street islands, sprinkler systems and landscaping.
- 1.9 "Common Expenses" mean all expenses, including, without limitation, wages, utility charges, legal, accounting and other fees, taxes, insurance (including that required by Section 5.3 hereof), interest, supplies and parts, incurred by the Association (a) to administer, service, conserve, manage, maintain, repair, renovate, replace and operate the Common Area and all improvements thereon, including, without limitation, landscaping and care of grounds, operating any swimming pool, any clubhouse and other facilities available for the general benefit of the Owners; (b) to manage and conduct the affairs of the Association; (c) to repay funds borrowed by the Association; (d) to pay any deficit remaining from a previous assessment period; (e) to create a reasonable contingency or other reserve or surplus fund for routine maintenance, repairs or replacement of improvements within the Common Area as needed from time to time; (f) which are expressly declared to be common expenses by this Homes Association Declaration, any Supplemental Declaration or the Bylaws; and (g) which the Board of Directors lawfully determine to be common expenses of the Association.
- 1.10 "County" means Platte County, Missouri.

1.11 "Declaration" means the Declaration of Covenants, Conditions, Restrictions and Easements of Running Horse, dated the same date hereof, as amended or supplemented from time to time.

1.12 "Default Assessment" has the meaning set forth in Section 6.4 hereof.

1.13 "Delinquency" or "Delinquencies" have the meanings set forth in Section 6.7 hereof.

1.14 "Developer" means Hunt Midwest Real Estate Development, Inc., a Missouri corporation, and its successors and assigns. If the Developer assigns less than all of its rights, obligations and interests to one or more Successor Developers, the term "Developer" shall thereafter refer to both the Developer and all Successor Developers unless otherwise stated.

1.15 "Expansion Property" has the meaning set forth in Section 8.1 hereof.

1.16 "Fine" and "Lien Fee" have the meanings set forth in Section 6.6 hereof.

1.17 "Homes Association Declaration" means this Homes Association Declaration of the Association, as amended or supplemented from time to time.

1.18 "Lot" means a plot, parcel or tract of land subject to this Homes Association Declaration and designated as a "Lot" on any recorded Plat subdividing all, or any part of, the Property, or any Expansion Property, together with all appurtenances and improvements on such Lot, now or in the future existing, including a Residence.

1.19 "Manager" means a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board of Directors may authorize from time to time.

1.20 "Member" means a member of the Association as defined in Section 3.1 hereof.

1.21 "Mortgage" shall mean any mortgage, deed of trust, or other document encumbering, pledging or conveying in trust any Lot or interest therein as security for payment of a debt or obligation.

1.22 "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

1.23 "Owner" means the owner of record, whether one or more persons or entities, of fee simple title to any Lot, including the Developer. The term shall not include any person or entity having any interest in a Lot merely as security for the performance of an obligation, including a mortgagee or a trustee under a deed of trust, unless and until such person has acquired fee simple title to the Lot pursuant to foreclosure or other proceedings.

1.24 "Owner's Proportionate Share" means a fraction, the numerator of which is the number of Lots then owned by such Owner within the Property, and the denominator of which is the total number of Lots then within the Property, as it may be expanded.

1.25 "Plat" means any plat which subdivides any part of the Property or Expansion Property creating Lots, Commons Areas and Streets.

1.26 "Private Street" means any Street which has not been dedicated and conveyed to, and accepted by, the County.

1.27 "Residence" means a single-family dwelling constructed on any Lot. For purposes hereof, "single-family" shall have the same meaning as in any applicable ordinances of the County, and, if none, its common meaning.

1.28 "Special Assessment" has the meaning set forth in Section 6.3 hereof.

1.29 "Street" means any roadway, street, court, circle, terrace, lane, drive, boulevard, alley or other right-of-way designed for vehicular traffic which is shown on any recorded plat subdividing all, or any part of, the Property.

1.30 "Subdivision" means, collectively, the Lots, the Common Area and all other parts of the Property, including any Expansion Property.

1.31 "Successor Developer" means any person or entity to whom the Developer assigns or transfers all, or any part of, its rights, obligations or interests as the developer of the Property, as evidenced by an assignment or deed of record in the Office of the Register of Deeds of Platte County, Missouri, at Platte City, designating such person or entity as a Successor Developer.

1.32 "Supplemental Declaration" means an instrument which amends or modifies this Homes Association Declaration, as more fully provided for herein.

1.33 "Turnover Date" means the date on which all Class B Memberships terminate and are converted to Class A Memberships as set forth in Section 3.2 hereof.

1.34 "Unplatted Land" means any portion of the Property which has not been subdivided pursuant to a recorded Plat.

1.35 "Working Capital Fund Contribution" shall have the meaning set forth in Section 6.5 hereof.

**ARTICLE 2.
PERSONS AND PROPERTY BOUND
BY HOMES ASSOCIATION DECLARATION**

The benefits and burdens of this Homes Association Declaration shall run with the land and shall inure to the benefit of and bind the Developer and all persons or entities who hereafter acquire any interest in the Lots or other property within the Subdivision or who hereafter acquire any interest in any Unplatted Land. The Developer and all persons who take any interest in a Lot or other property within the Subdivision or in any Unplatted Land shall, by taking such interest, be deemed to agree and covenant with all other Owners, the Association and the Developer, and their respective heirs, personal representatives, successors, transferees and assigns, to conform to, and observe, the covenants, conditions and restrictions in this Homes Association Declaration, all Supplemental Declarations and the other Association Documents for the term hereof.

**ARTICLE 3.
MEMBERSHIP; VOTING; OPERATIONS**

3.1 **Membership in The Association.** The Owner of each Lot within the Subdivision or the Mortgagee of a lot if an Owner so designates, shall be a Member of the Association. If a Lot is owned by more than one Owner, all Owners of the lot, collectively, shall be deemed the Member of the Association for such Lot. The Association shall be the sole judge of the qualifications of its Members and of their right to participate in its meetings and proceedings.

3.2 **Classes of Members.** Members shall be either Class A Members or Class B Members. Class A Members shall be all Owners except Owners who are Class B Members. The Developer and all Successor Developers shall be Class B Members during the time they own any Lot or Unplatted Land held for the purpose of development and sale, except as provided below. All Class B Memberships shall terminate and automatically be converted to Class A Memberships upon the earliest of the following events to occur:

(a) December 31, 2029;

(b) the date on which the Developer and all Successor Developers, if any, voluntarily relinquish their Class B Membership as evidenced by written notices recorded in the Office of the Recorder of Deeds for Platte County, Missouri, at Platte City; or

(c) the date on which the Developer or any Successor Developer no longer owns any Lot or Unplatted Land which is subject to the Declaration and this Homes Association Declaration.

Upon termination of their Class B Membership, the Developer and all Successor Developers which then own any Lot or Unplatted Land shall, for all purposes, automatically become a Class A Member for each Lot and each one-quarter of an acre of Unplatted Land they then own.

3.3 **Meetings.** Annual and special meetings of the Members shall be called, held and conducted in the manner provided in the Bylaws, or, in the absence of any provision in the Bylaws, as provided by applicable Missouri law.

3.4 **Voting Rights.** Except as otherwise provided herein, all Members shall be entitled to vote, as a single class, on all Association matters requiring a vote under this Homes Association Declaration. On all matters to be voted upon by the Members, (a) Class A Members shall have one (1) vote for each Lot and one (1) vote for each one-quarter of an acre (or fraction thereof) of Unplatted Land they own and (b) Class B Members shall have twenty (20) votes for each Lot and twenty (20) votes for each one-quarter of an acre (or fraction thereof) of Unplatted Land they own. If more than one Member exists for any Lot, the vote for such Lot shall be exercised as the Members determine among themselves, which determination is communicated, in writing, to the Secretary of the Association prior to commencement of the meeting in which such vote shall be exercised. Fractional votes shall not be permitted. Unless specifically provided herein to the contrary, all matters requiring a vote of the Members under this Homes Association Declaration which is to be held (a) at a time there are any Class B Members, shall be approved by the affirmative vote of a majority of all votes entitled to vote and (b) at any other time, shall be approved by the affirmative vote of a majority of all votes present at a regular or special meeting duly called where a quorum is present. A Member may appoint any person as the Member's proxy by written instrument delivered to the Secretary of the Association at least one (1) business day before the date of the vote for which the proxy is being exercised. A proxy shall be valid for all meetings commencing after delivery of the proxy to the Secretary and thereafter until it expires or is revoked, at any time, by the Member in a writing delivered to the Secretary. A proxy shall be valid for no more than eleven (11) months from the date of its execution unless otherwise provided in the proxy; provided, however, under no circumstance, shall a proxy be valid for more than three (3) years from its original date. Except as specifically provided in the Articles, these Bylaws or applicable law to the contrary, the presence at the meeting, in person or by proxy, of Members holding the power to vote ten percent (10%) of the votes entitled to be cast on a matter at the meeting shall constitute a quorum for any action appropriately brought before the meeting provided that, unless one-third (1/3) or more of the Members having voting power are present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of Members are those matters described in the meeting notice.

3.5 **Transfer of Membership.** Membership is appurtenant to, and may not be separated from, ownership of any Lot. An Owner may not transfer, pledge or alienate membership in the Association in any way except in connection with the sale or encumbrance of the Lot and then only to the purchaser or Mortgagee of the Lot. Upon the sale of a Lot, the membership associated with the Lot shall automatically transfer to the purchaser of the Lot, or the purchaser's Mortgagee if so designated by the purchaser.

3.6 **Books and Records.** The Association shall make available current copies of the Association Documents and the books, records and financial statements of the Association for inspection by Owners and Mortgagees upon their request, if such request is made during normal business hours or under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

3.7 **Association as Successor Developer.** Upon termination of the Class B Membership, the Association shall succeed to all of the duties and responsibilities of the Developer, if any, under this Homes Association Declaration. The Association shall not, however, succeed to any easements or rights of the Developer or others reserved in the Association Documents or pertaining to any other real property adjacent to the Subdivision which is owned by the Developer.

3.8 **Implied Rights and Obligations.** The Association may exercise all rights and privileges expressly granted to the Association in the Association Documents and all other rights and or privileges reasonably implied from those expressly granted or reasonably necessary to effect any such duties and obligations expressly imposed upon the Association by the Association Documents.

3.9 Developer's Control of Association Prior to Termination of Class B Membership. Notwithstanding anything in this Article 3 or elsewhere in this Declaration to the contrary, until the date on which the Developer's Class B Membership is terminated, the Developer shall maintain absolute and exclusive control over the Association and the Review Committee, including appointment, election and removal of all directors and officers of the Association and all members of the Review Committee. Until such date, only the Developer shall be entitled to cast any votes with respect to the election and removal of Association directors and officers and members of the Review Committee or any other matters requiring the vote or approval of Members or Owners. The Developer may (but shall not be required to) at any time relinquish all or any part of the Developer's control and rights under this Article 3.9.

ARTICLE 4. POWER AND AUTHORITY

4.1 Power and Authority of The Association. Subject to the limitations and hearing procedures, if any, required by applicable laws or regulations, the Articles, the Bylaws or this Homes Association Declaration, the Association has the power and authority to take or refrain from taking all actions, it deems reasonably necessary to protect the rights and to fulfill the obligations of the Association under the terms of this Homes Association Declaration. Such power and authority includes, without limitation, the following, which the Association may (but shall not be obligated or required to) exercise or decline to exercise in its discretion:

(a) Accept by conveyance from the Developer and own the Common Area and any other areas of the Property to be held for the general benefit of the Owners;

(b) Enforce, either in the name of the Association or the name of any Owner within the Subdivision or any owner of any Unplatted Land, the covenants, conditions, restrictions and easements imposed upon the Lots, the Common Area or other portions of the Subdivision or any Unplatted Land as are in effect from time to time. The expenses and costs of any enforcement proceedings shall be paid out of the general funds of the Association. Nothing herein contained shall prevent the Developer, or any Owner having the right to do so, from enforcing, in their own name, any such covenants, conditions, restrictions or easements;

(c) Impose any or all of the following sanctions upon Members for failure to comply with the provisions hereof, the Declaration or the rules and regulations adopted by the Board: (i) an order requiring the Member to comply with, or discontinuing any breach of, the terms hereof, the Declaration or the rules and regulations adopted by the Board, (ii) monetary Fines and Lien Fees as set forth elsewhere herein, (iii) suspension of all voting rights of the Member for a period not to exceed one (1) year, (iv) suspension of the privilege to use any Common Area for a period not to exceed one (1) year and (v) suspension of voting rights and use privileges of a Member during the period any Delinquency pertaining to such Member is outstanding and unpaid;

(d) Levy and collect the Assessments which are provided for in this Homes Association Declaration and charge reasonable admission fees, service charges and other amounts for the use of the Common Area;

(e) Manage and control as trustee and attorney-in-fact for all Members, all improvements upon and to the Common Area and other areas of the Subdivision owned by the Association or held for the general benefit of the Owners;

(f) Maintain, repair and replace all pedestrian ways, gateways, entrances, fountains, gardens, swimming or other pools, clubhouses, water run-off detention areas, ponds or basins, lights, water sprinkling systems, common landscaped areas, rights-of-way, platted landscape easements, fences, ornamental features, Subdivision identification signs and monuments and other improvements to the Common Area and any other amenities;

(g) Provide and maintain lights for the illumination of Streets, parks, parking, pedestrian ways, gateways, entrances or other features, and in other public places, semi-public places or the Common Area;

(h) Erect and maintain signs for marking of Streets and for the protection of children and other persons, after such signs are approved by appropriate public authorities;

(i) Exercise control over easements (including those for water drainage control) it acquires from time to time or exist pursuant to any recorded Plat for or of the Subdivision;

(j) Acquire and own title to such real estate as is reasonably necessary in order to carry out the purposes of the Association and promote the health, safety, welfare and recreation of Owners in the Subdivision and pay taxes assessed against the Common Area or other real estate and facilities owned by the Association or public or semi-public places in the Subdivision;

(k) Enter into such agreements with other homes associations, municipalities or other governmental agencies, individuals or corporations in order to implement the purposes of the Association, and provide such improvements for the benefit of the Owners and the Members of the Association in accordance with the intent of this Homes Association Declaration;

(l) If an Owner fails to do so, perform exterior maintenance on each Residence located on any Lot, including, without limitation, painting, repairing, replacing and caring for roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements, and if the need for such maintenance or repair is caused by the wasteful, negligent or intentional act or omission of an Owner, such Owner's family, guest, invitee, agent, licensee, or authorized representative, the Association may perform such maintenance and assess and collect the cost thereof as a Default Assessment, due solely from such Owner, payable to the Association;

(m) Acquire, provide, and maintain insurance for the protection of the Association, the Members and the Common Area, including, without limitation, casualty and property, comprehensive public liability, officers and directors, workers compensation and fidelity, in addition to the acquisition of bonds to provide protection against dishonest acts on the part of the Association's officers, directors, trustees, employees and agents and such other insurance against risks of a similar or dissimilar nature as the Board of Directors deems appropriate with respect to the Association's responsibilities and duties, including contractual liability for the indemnification set forth in Section 10.7 below;

(n) Subject to the voting requirements of Section 9.2 herein for amendment of this Homes Association Declaration, dedicate, sell, subdivide or transfer all or any part of the Common Area, including any Private Street, to any public or private agency, authority, person or entity, but only with the prior written consent of the Developer as long as the Developer owns any Lot or any Unplatted Land;

(o) Create, grant and convey easements upon, across, over, through and under the Common Area for (i) ingress or egress, and (ii) installation, replacement, repair or maintenance of utilities or other such facilities including, but not limited to, water, sewers, natural gas, telephones, electricity and cable television systems;

(p) Establish and publish rules and regulations to regulate and control the Owners' and the Members' use and enjoyment of the Common Area and other activities which affect the Members' quiet and peaceful use of the Lots;

(q) Employ or provide duly qualified officers for the purpose of providing police or security protection as the Board of Directors deems necessary or desirable to supplement the protection rendered by public authorities;

(r) Borrow money from any person, including the Developer, for the proper conduct of the Association's affairs, the exercise of its powers and authority and the fulfillment of its obligations, subject to such limitations, if any, set forth in the Bylaws;

(s) Suspend the voting rights of any Member (whether a Class A Member or a Class B Member) or the rights of any Member to use the Common Area (i) for the period such Member is delinquent in paying

any Assessment or, (ii) for a period of up to ninety (90) days for infraction of published rules and regulations, unless such infraction is ongoing, in which case such rights may be suspended during the period of the infraction plus up to ninety (90) days thereafter;

- (t) Provide for cleaning of Streets, gutters, catch basins, sidewalks and pedestrian ways;
- (u) Provide for, or manage, the collection and disposal activities of rubbish, trash and garbage in the Subdivision;
- (v) Care for, spray, trim, protect, plant and replant trees, shrubbery, grass and sod along all Streets, in the Common Area and other areas within the Subdivision set aside for the general use of the Owners and the Members or on landscaped easements where the maintenance thereof is for the general welfare and benefit of the Owners and the Members;
- (w) Mow, care for, maintain, remove rubbish from and perform any other task reasonably necessary or desirable to keep any vacant or unimproved property in the Subdivision neat in appearance and in good order;
- (x) Exercise all rights, power and authority granted to the Association by the Declaration; and
- (y) Engage a Manager to perform such duties, powers or functions of the Association as the Board of Directors may authorize from time to time as set forth in Section 4.4 below.

4.2 Exercise of Authority. Unless specifically reserved to the Members by this Homes Association Declaration, the Bylaws, the Articles or applicable law, all powers and authority of the Association shall be exercised by the Board of Directors acting within its sole discretion. Although the Association may exercise the power and authority granted in Section 4.1 hereof, the Board shall not be required to exercise such power or authority. For example, although the Association has the power to provide for collection and disposal of rubbish, trash, refuse and garbage in the Subdivision, the Board may, in its discretion, choose not to exercise that power and, in lieu thereof, require the Owners to contract with the County or private haulers to dispose of their trash.

4.3 Requirements of Insurance. All insurance coverage obtained by the Association shall comply with the following terms and conditions:

- (a) The Developer shall be an additional insured on all such policies as long as it owns any Lot or Unplatted Land;
- (b) The insurance coverage maintained by the Association shall not be brought into contribution with insurance purchased by the Owners or their Mortgagees;
- (c) Coverage under the policies shall not be prejudiced by (i) any act or neglect of any Owner, or their tenants, servants, agents, invitees, and guests when such act or neglect is not within the control of the Association or (ii) any act, neglect or failure of the Association with respect to any portion of the Property over which the Association has no control;
- (d) The policies shall contain a waiver of subrogation by the insurer as to all claims against the Developer, the Board of Directors, the Association, the Manager and the Owners and their respective agents, employees, tenants, agents and household members, and of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured and contain contractual liability for the indemnity set forth in Article 10.7 hereof;
- (e) All policies shall be written by insurers licensed to do business in Missouri and holding a rating of B/VI or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or, if not reasonably available, the most nearly equivalent rating; and

(f) All liability insurance shall also include a cross liability endorsement under which the rights of an insured under the policy shall not be prejudiced with respect to an action against another insured.

4.4 **Manager.** Any powers, duties or rights of the Association created pursuant to this Homes Association Declaration, or of the Board, as provided by law and herein, may be delegated to a Manager under a management agreement, which Manager may or may not have a relationship to the Developer or its principals or affiliates; provided, however, that no such delegation shall relieve the Association of its obligation to perform such delegated duty.

ARTICLE 5. COMMON AREA

5.1 **Property Rights in the Common Area.** Subject to the other provisions hereof, including the right of the Association to restrict the use of the Common Area and to discipline Members, every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Area and such right and easement shall be appurtenant to and shall pass with the title to every Lot.

5.2 **Maintenance of the Common Area.** The Association shall own, manage, repair, maintain, replace, improve and operate the Common Area and keep it, and all improvements thereon, in good condition. The cost of performing these duties shall be a Common Expense. The Board of Directors may employ or contract with third parties to render any services with respect to the Common Area.

5.3 **Insurance.** The Association shall provide and maintain insurance for the protection, repair and replacement of the Common Area as set forth above.

5.4 **No Partition.** The Common Area shall be owned by the Association, and no Owner, group of Owners, or the Association shall bring any action for partition or division of the Common Area.

ARTICLE 6. ASSESSMENTS, FINES, LIEN FEES AND WORKING CAPITAL FUND CONTRIBUTIONS

6.1 **Obligation; Purpose.** The Association may assess Annual Assessments, Special Assessments and Default Assessments against all Lots. No assessments shall be made against Unplatted Land. For purposes hereof, (a) "Annual Assessments" are Assessments imposed by the Board of Directors which are necessary to meet the Common Expenses; (b) "Special Assessments" are Assessments for capital improvements to the Common Area and other purposes as stated in Section 6.3 hereof; and (c) "Default Assessments" are Assessments assessed against a Lot as the result of the Member's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Member under the Association Documents. The Assessments shall be used for the benefit of the Members as set forth herein. All Owners, except Class B Members, shall be liable for all Assessments properly levied against Lots owned by such person. No Assessments or Working Capital Fund Contributions shall be assessed against any Lots or Unplatted Land owned by the Class B Members.

6.2 **Annual Assessments.** Subject to the limitations set forth herein and in the Articles and Bylaws, if any, the Board of Directors, in its sole discretion, shall establish Annual Assessments based upon the estimated Common Expenses for the subsequent fiscal year of the Association. Until modified as provided herein, the Annual Assessments shall be \$300 per Lot for all Lots owned by persons who are not Class B Members. The first Annual Assessment shall be for the year commencing on January 1, 2005. The Annual Assessments shall be made by the Board of Directors on or before January 1 of each year and shall be due and payable on January 31st of each year. If the Board of Directors fails to timely make any Annual Assessment for any fiscal year, the amount of such Annual Assessment for the year shall automatically be the same as the Annual Assessment for the immediately prior year. Prior to the date on which the Developer terminates its Class B Membership, the Board of Directors may increase the Annual Assessments as such Board shall determine appropriate. After such date, the Annual Assessments made by the Board of Directors may not exceed (a) one hundred and twenty percent (120%) of the Annual Assessment for the immediately preceding year without the approval of a majority of the Members present at a meeting duly called or (b) one hundred fifty percent (150%) of the Annual Assessment for the immediately preceding year without the approval of sixty-six and 2/3 percent (66 2/3%) of the Members present at a meeting duly called. The Board of Directors may, but shall have no obligation

to, make pro rata refunds of any Annual assessments in excess of the actual Common Expenses incurred in any fiscal year or may hold the same in reserve. If an unimproved Lot is sold by a Class B Member to a person who is, or by such sale becomes, a Class A Member, the purchaser shall, at the closing, pay the Association the Annual Assessment for the Lot, as classified in the hands of the purchaser, prorated for the number of days remaining in the year during which the purchaser bought the Lot.

6.3 **Special Assessments.** Except as limited or prohibited by the Articles or Bylaws, the Board of Directors may levy in any fiscal year one or more Special Assessments, payable over any period determined by the Board of Directors, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, renovation or replacement of improvements in the Common Area or for any other expenses incurred by the Association in fulfilling its obligations under this Homes Association Declaration or the other Association Documents or otherwise imposed upon the Association. In imposing any Special Assessment, the Board of Directors shall specifically refer to this Section 6.3. The Board of Directors shall promptly give the Members written notice of the amount of all Special Assessments and the time for payment thereof. No payment of all or part of any Special Assessment shall be due less than thirty (30) days after such notice is given. This Section 6.3 shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other provisions of this Homes Association Declaration.

6.4 **Default Assessments.** The Board of Directors may assess Default Assessments against a Member or an Owner at any time. Notice of the amount and due date of each Default Assessment shall be sent to the Member subject to such Assessment at least thirty (30) days prior to the due date. Each Default Assessment shall become a lien against such Member's Lot or Lots when due and may be foreclosed or otherwise collected as provided in this Homes Association Declaration.

6.5 **Working Capital Fund Contributions.** The Developer shall require the first Owner of a Lot (other than the Developer or a builder building on such Lot for resale) to make a nonrefundable contribution to the general working capital fund of the Association in an amount equal to three (3) times the monthly installment of the Annual Assessments (i.e. one-fourth (1/4) of the Annual Assessment) against such Lot then in effect (a "**Working Capital Fund Contribution**"). The Association shall maintain all such Working Capital Fund Contributions in its account(s) for the use and benefit of the Association in carrying out its duties hereunder including, without limitation, paying Common Expenses or meeting unforeseen expenditures. Such Working Capital Fund Contributions shall not relieve an Owner from making payments of the Assessments as they become due and is in addition thereto and nonrefundable in all events.

6.6 **Fines; Lien Fees.** The Board of Directors may assess and impose a fine of Twenty Dollars (\$20) per month (or such other amount as the Board of Directors shall determine appropriate from time to time) [a "Fine"] for each month in which any infraction of any of the provisions of this Homes Association Declaration, the Declaration, the Articles, the Bylaws or any rules or regulations promulgated by the Board is committed by any Owner of a Residence or any tenant of any such Owner. The Board of Directors may promulgate and change from time to time rules or regulations setting forth procedures for appealing Fines. Fines shall be imposed only after notice and an opportunity to be heard before the Board of Directors. Cause for Fines shall not be for frivolous reasons but for those actions which violate the security of the Owners, endangers occupants, cause a nuisance to the Owners or their tenants or interfere with the quiet enjoyment of their Residence or the Common Area by other Owners or their tenants. Recourse to Fines will occur when situations are not corrected or continue to occur after written notice is given to an Owner. Warnings and recourse to Fines shall be as determined by the Board of Directors. The Owners shall be responsible for the acts and omissions of tenants, guests or visitors who create such violations or infractions. Additionally, in connection with any Delinquency which constitutes a lien as set forth below, the Board of Directors may assess and impose a separate Lien Fee of One Hundred Fifty Dollars (\$150) [or such other amount as the Board of Directors shall determine appropriate from time to time] to cover administrative time and expense in connection therewith.

6.7 **Effect of Nonpayment: Assessment Lien.** Any Annual, Special or Default Assessment or Fine or Lien Fee that is not paid within thirty (30) days after its due date shall be delinquent (a "Delinquency" or "Delinquencies"). Upon a Delinquency becoming delinquent, the Board of Directors, in its sole discretion, may take any or all of the following actions:

- (a) Assess a late charge for each Delinquency in an amount established by the Board of Directors;
- (b) Assess an interest charge from the date of a Delinquency of one and one-half percent (1 1/2%) per month (18% APR) for each month, or portion thereof until paid in full, or such other rate as the Board of Directors may establish, as long as no rate so established, and all other charges determined to be interest, is usurious under Missouri law;
- (c) Suspend the voting rights and any other privileges of the Member during any period of a Delinquency;
- (d) Accelerate all remaining Assessment installments so that unpaid Assessments and their Delinquencies shall be immediately due and payable;
- (e) Bring an action at law against any Member or Owner personally obligated to pay the Delinquency;
- (f) File a statement of lien with respect to the Lot; and
- (g) Proceed with foreclosure of liens for the Delinquency.

Each Delinquency (which, as defined above, includes any unpaid Annual, Special or Default Assessment, Fine or Lien Fee) shall constitute a lien on the Lot, including the Residence and all other improvements, and shall attach on the due date for the Delinquency. Such lien shall also secure all late charges, interest and costs of collection, including reasonable attorneys' fees. After first giving the applicable Owner or Member at least ten (10) days' written notice of the Delinquency and intent to assess a lien, the Association may evidence the lien by filing a certificate of lien with the Office of the Recorder of Deeds of Platte County, Missouri. The certificate of lien, which shall be signed and acknowledged by the President, any Vice President or the Secretary of the Association, shall set forth (i) the name and address of the Association, (ii) the amount of the Delinquency, (iii) the amount of accrued interest, penalty and other amounts due, (iv) the name of the Owner of the Lot and (v) the legal description of the Lot. Simultaneously with its filing thereof, the Association or its Manager shall mail a copy of the certificate of lien to the Owner at the address of the Lot or to such other address as the Association has in its files for the Owner. At any time thirty (30) or more days after filing the certificate of lien, the Association may institute foreclosure proceedings against the affected Lot in the manner for foreclosing a deed of trust by private sale on real property under the laws of the State of Missouri and recover the amounts of all Delinquencies, late charges, interest and costs of collection, including reasonable attorneys' fees, as a part thereof. Each Owner and Member, by its acceptance of a deed to a Lot, hereby consents to such foreclosure mechanism. In the event of any such foreclosure, the Member shall be liable for the amount of all the unpaid Delinquency, all penalties, late charges and interest thereon, the cost and expenses of such foreclosure proceedings, the cost and expenses for filing the notice of the claim and lien and all reasonable attorneys' fees incurred in connection with the enforcement of the lien, including foreclosure. The Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. All liens for Delinquencies shall continue for a period of five (5) years from the date of attachment and no longer, unless within such time suit is commenced to collect the Delinquencies against persons personally liable for such amount or foreclosure proceedings are instituted. In such cases, the lien shall continue until termination of the suit and sale of the Lot upon execution of any judgment obtained or until completion of foreclosure proceedings. It is the intent hereof that all Delinquencies, late charges, interest and costs of collection, including reasonable attorneys' fees, be lienable and collectible as set forth above.

6.8 Personal Obligation. The amount of any Delinquency chargeable against any Lot shall be a personal, individual and joint and several debt of all Owners of the Lot at the time the Delinquency became due. No Owner may exempt himself/herself/itself from liability for the Delinquency by abandonment of such Owner's Lot or by waiver of the use or enjoyment of all, or any part of, the Common Area. All successors to the fee simple title of a Lot shall be jointly and severally liable for all unpaid assessments, interest, late charges, costs, expenses, and attorneys' fees against such Lot with the Owner who owned the Lot at the time the unpaid Delinquency first became due. Nothing contained herein shall prejudice any such successor's rights to recover from any prior Owner amounts paid by such successor. The liability of a successor shall not be personal and shall expire upon termination of such successor's fee simple interest in the Lot. The successor may rely on the statement of status of Delinquency by, or on

behalf of, the Association under Section 6.10 below. The Association may bring suit against the Owner or any successor to recover unpaid Delinquency, any penalties and interest thereon, the cost and expenses of such proceedings and, if allowed by law, all reasonable attorneys' fees in connection therewith, without foreclosing or waiving the Delinquency lien provided for in Section 6.6 hereof.

6.9 Priority of Lien. The liens for Delinquencies provided for in Section 6.7 hereof shall be subordinate to (a) liens for real estate taxes and special governmental assessments and (b) Mortgages recorded prior to the due date for any such Delinquency. The liens for Delinquencies shall be superior to and prior to any homestead exemption provided now or in the future under the laws of the State of Missouri, said homestead exemption being waived by all present and future Owners by taking title to Lots. Except as specifically set forth herein or provided by law, no sale or transfer of a Lot shall release it from the liens of any Delinquency. The amount of any extinguished Delinquency lien may, at the direction of the Board of Directors, be reallocated and assessed to all Lots as a Common Expense.

6.10 Notice to Mortgagee. Upon written notice by a Mortgagee to the Association that it holds a lien on a Lot, accompanied by a written request for notice of unpaid Delinquencies, the Association shall report to the Mortgagee all Delinquencies on such Lot remaining unpaid for longer than sixty (60) days after the due date. Any Mortgagee holding a lien on a Lot may pay any unpaid Delinquency, together with all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as the Delinquency lien and the lien of the Mortgage.

6.11 Statement of Status. Upon written request of any prospective Mortgagee or purchaser of a Lot and payment of a reasonable fee established by the Board of Directors, the Board of Directors of the Association shall issue a written statement setting forth the amount of all unpaid Delinquency, if any, with respect to such Lot. The amount set forth on such statement from the Association shall be binding on the Association if the prospective purchaser purchases the Lot; provided, however, the Owner of the Lot during the time when such Delinquency became due and owing shall remain liable for all unpaid Delinquencies. If the Association does not issue a written statement within thirty (30) days of its receipt of the request and fee payment, the prospective purchaser may make an additional written request. If the Association does not issue a written statement within ten (10) days of the second request, any lien for unpaid Delinquencies shall be released automatically upon the prospective purchaser's acquisition of the Lot. A statement shall be deemed issued by the Association upon deposit in the U.S. Mails or tender of delivery to the prospective purchaser.

6.12 Notification of Association's Address. The Association shall notify each Owner, at their address listed with the Association, of the Association's address, and all changes thereto, the location of the place of any payment and other locations where Association business may be conducted.

6.13 Pledge of Assessment Rights as Security. The Association shall have the power to pledge the right to exercise its assessment powers and rights as security for any obligations of the Association; provided, however, any such action shall require, prior to the date on which the Developer terminates its Class B Membership, the assent of the Developer and, after such date, a majority vote of all Members of the Association. Such power shall include the ability to make an assignment of Assessments then payable to, or which will become payable to, the Association, which assignment may be then presently effective but allows such Assessments to continue to be paid to the Association and used by it unless and until the Association shall default on its obligation secured by the assignment.

6.14 Optional Developer Loans to Association. In the event that, at any time or from time to time, the Assessments are not sufficient for the Association to pay all Common Expenses or otherwise permit the Association to perform its duties and obligations under this Declaration, the Developer may (but shall not be obligated to) make loans or advances to the Association to enable it to meet such deficiency or deficiencies in funding. Any such loan or advance made by the Developer to the Association shall bear simple interest at a per annum rate equal to two percent (2%) above the prime rate of interest shown in the *Money Rates* section of *The Wall Street Journal* on the date such loan or advance is made and shall accrue until the loan or advance, with accrued interest, is paid in full. As soon as reasonably practicable, the Board of Directors shall increase the Assessments in amounts sufficient to pay off the principal and interest of such loans or advances made by the Developer to the Association.

**ARTICLE 7.
INSURANCE LOSS; CONDEMNATION**

7.1 Association as Attorney-in-Fact. Each Owner and Member hereby irrevocably appoints the Association as the Member's true and lawful attorney-in-fact for the purposes of dealing with any damage or other loss in connection with the Common Area, whether it is covered by insurance written in the name of the Association or if such damage or loss results from a complete or partial taking of the Common Area in condemnation. Acceptance by a grantee of a deed or other instrument of conveyance from the Developer or any other Member conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact for such purposes. The Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver, settlement or other instrument with respect to the interest of any Member which may be necessary to exercise the powers granted hereby to the Association as attorney-in-fact.

7.2 Insured Loss. Except as provided herein to the contrary, the Association shall use the proceeds of all insurance for the Common Area to repair or replace any part of the Common Area which is damaged by an insured occurrence and has a fair market value of more than \$5,000.00. If the insurance proceeds are insufficient to pay the full cost of such repair or replacement, the Association may, pursuant to Section 6.3, levy, assess, and collect in advance from the Members, without the necessity of a special vote of the Members, a Special Assessment sufficient to provide funds to pay the additional cost of repair or replacement. Further levies may be made in like manner if the amounts collected prove insufficient to complete such repair or replacement.

7.3 Condemnation. Except as provided herein, if any portion of the Common Area on which improvements have been constructed is taken by any condemnation or similar proceeding, the Association shall restore or replace such improvements on the remaining land included in the Common Area. If the condemnation award is insufficient to pay the costs of restoring or replacing the taken improvement, the Association may, pursuant to Section 6.3, levy, assess, and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay the additional cost of restoration or replacement. Notwithstanding the foregoing, if the aggregate of any Special Assessment for expenses relating to such restoration or replacement exceeds \$10,000.00, then the Special Assessment may be made only upon the approval of the Developer if it is then a Class B Member and, if not, the approval of a majority of the votes possible to be cast under this Homes Association Declaration. Further levies may be made in like manner if the amounts collected prove insufficient to complete such restoration or replacement.

7.4 Decision Not to Rebuild or Replace. Prior to the date on which the Developer terminates its Class B Membership, if the Developer decides not to and, after such date, if Members representing at least sixty-six and two-thirds percent (66 2/3%) of the votes possible to be cast under this Homes Association Declaration agree by vote at a meeting or in writing not to, repair or replace any part of the Common Area damaged by an insured occurrence and do not authorize alternative improvements to such part of the Common Area, the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. Prior to the date on which the Developer terminates its Class B Membership, the Developer shall decide whether or not to, and, after such date, if Owners representing at least sixty-six and two-thirds percent (66 2/3%) of the votes possible to be cast under this Homes Association Declaration may elect not to, restore or replace any or all improvements comprising a part of the Common Area taken by condemnation. In either case, the Board of Directors shall, in its sole discretion, either retain all unused insurance proceeds or condemnation awards (or any awards in excess of the cost of restoring or replacing the taken improvements) in reserve or distribute such proceeds in equal shares per Lot. Notwithstanding the foregoing, the Owners may not agree, vote or elect not to repair, reconstruct or restore any storm water detention facilities without first obtaining the written consent of the County and taking adequate alternative storm water drainage control measures.

**ARTICLE 8.
EXPANSION**

8.1 Reservation of Right to Expand. By amendment or supplement hereto, the Developer hereby reserves the absolute right to unilaterally expand the Property, from time to time, by adding Lots, Common Area and other property in the Subdivision and other property that has not yet been subdivided ("Expansion Property"). The addition of Expansion Property shall be done by the Developer upon filing of one or more Supplemental Declarations of

record in the Office of the Recorder of Deeds for Platte County, Missouri, at Platte City. Expansion Property may be added in stages by successive supplements or in one supplement expansion.

8.2 **Homes Association Declaration Operative to New Lots.** The Expansion Property shall be subject to all of the terms and conditions of this Homes Association Declaration, the Declaration and all Supplemental Declarations upon filing the supplemental or amended plat depicting the Expansion Property and any Supplemental Declaration in the Office of the Recorder of Deeds for Platte County, Missouri, at Platte City.

8.3 **Expansion of Definitions.** If the Property included in the Subdivision is expanded as provided in this Article 8, all definitions used in this Declaration shall be automatically expanded to include the Expansion Property.

8.4 **Reservation of Right to Remove.** By Supplemental Declaration, the Developer hereby reserves the absolute right at any time to unilaterally remove from the effect and control of this Homes Association Declaration any portion of the Property which the Developer has not sold or conveyed, whether platted or unplatted (the "Removed Property"). Any such removal shall be by Supplemental Declaration filed of record in the manner set forth above and shall be effective on the date so filed of record.

ARTICLE 9. DURATION; AMENDMENT

9.1 **Term.** The covenants and restrictions of this Homes Association Declaration shall run with and bind the Property until December 31, 2029, after which time they shall be automatically extended for successive periods of ten (10) years each unless terminated by a majority vote of the Members.

9.2 **Amendment.** Except as otherwise provided herein, at all times the Developer is a Class B Member of the Association, this Homes Association Declaration may be amended by Supplemental Declarations signed by the Developer and, after the Developer's Class B Membership is terminated, then the Members holding a majority of the votes possible to be cast hereunder by all Members and the Developer if it then owns any Lots. Except as otherwise provided herein, at all other times, this Homes Association Declaration may be amended by Supplemental Declarations signed by Members holding at least sixty-six and two-thirds percent (66 2/3%) of the votes possible to be cast hereunder by all Members. Proper approval of all amendments shall be shown by a certificate of the Secretary of the Association, attached to the Supplemental Declaration to be recorded, certifying that signatures of a sufficient number of Members approving the amendment are on file in the office of the Association. No amendment shall be effective until the Supplemental Declaration setting forth the approved amendment is recorded in the Office of the Recorder of Deeds for Platte County, Missouri, at Platte City. Such amendments may amend the terms hereof as it effects all existing Lots in the Subdivision, including terms which impose additional covenants, conditions, restrictions and easements on all such Lots. Any amendment that effects less than all existing Lots in the Subdivision shall be effective only with respect to those Lots where the Member owning such Lot agrees to such amendment. In no event shall any amendment reduce, interfere with or impair the Association's or its Directors' ability to establish and collect Assessments.

9.3 **Revocation; Termination.** This Homes Association Declaration shall not be revoked or terminated at any time without the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the votes possible to be cast under the Homes Association Declaration and the additional approval of the Developer at any time it is a Class B Member. Such revocation or termination shall be evidenced and effective in the same manner as set forth in Section 9.2 for amendments hereof.

9.4 **Amendments Requiring County Consent.** Notwithstanding any other provision herein, no modification or amendment of this Homes Association Declaration which conflicts with (a) any Subdivision Plat, (b) any agreement entered into by the Developer and the County concerning the Subdivision or (c) any County ordinance or code, may be made or become effective without the prior written consent of the County.

**ARTICLE 10.
GENERAL PROVISIONS**

10.1 Enforcement. Except as otherwise provided herein, the Developer, the Association and the Board of Directors has the right and power to enforce this Homes Association Declaration. Failure of the Developer, the Association or the Board of Directors to enforce any provision contained herein shall not be deemed a waiver of the right to do so at a subsequent time. If the Developer or the Association successfully enforces any term of this Homes Association Declaration, it shall, in the discretion of a court of competent jurisdiction, be entitled to recover its reasonable attorneys' fees and costs from the person against whom this Homes Association Declaration was enforced. In the event that the Developer, the Association or the Board of Directors fail to enforce this Homes Association Declaration, any Member may take such action to enforce the same by proceedings in a court of competent jurisdiction.

10.2 Severability. If any provision of this Homes Association Declaration, or the application hereof to any circumstance, is held to be invalid or unenforceable to any extent, the remainder of this Agreement and its application to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

10.3 Rule Against Perpetuities. Notwithstanding anything in this Homes Association Declaration to the contrary, the creation of all interests under this Declaration shall vest, if at all, within the period of time measured by the life of the survivor of the now living children of Prince Charles, Prince of Wales, plus twenty-one (21) years.

10.4 Developer's Right to Assign. The Developer may, by appropriate agreement made expressly for that purpose, assign or convey to a Successor Developer all, or any part, of the rights, reservations and privileges herein reserved by the Developer. Upon recording of the assignment in the Office of the Recorder of Deeds of Platte County, Missouri, at Platte City, the Developer's rights and obligations under this Homes Association Declaration shall cease and terminate to the extent provided in such document. Every Successor Developer shall have the rights of the Developer, including the right to transfer such rights as set forth in this Section 10.4.

10.5 Release of Liability. None of the Developer, the Association, the Board of Directors or the Review Committee, nor their respective officers, directors, stockholders, members, employees or agents, shall be liable to any person for any discretionary action taken, or not taken, under the terms hereof, including, without limitation, approval or disapproval of, or failure to approve, any application for enforcement or non-enforcement of the terms hereof.

10.6 Indemnification. To the fullest extent permitted by law, every director and officer of the Association, the members of the Review Committee and the Developer (to the extent a claim may be brought against the Developer by reason of its election, appointment, removal or control over directors of the Association Board, its officers or members or the Review Committee) shall be indemnified by the Association, and every other person serving as an employee or direct agent of the Association or on behalf of the Association as a member of a committee or otherwise, may, in the discretion of the Board of the Association, be indemnified by the Association against all liabilities, damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by or imposed upon him or her in connection with any proceeding or any settlement thereof to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having served in such capacity on behalf of the Association (or, in the case of the Developer, by reason of having elected, appointed, removed or controlled, or failed to control, officers or directors of the Association or members of the Review Committee) whether or not he or she is a director, an officer or a member of the Review Committee, or serving in such other specified capacity at the time such expenses are incurred; provided, however, that prior to agreeing to any such indemnification, the Association's Board shall determine, in good faith, that such officer, director, member of the Review Committee or other person, or the Developer, did not act, fail to act or refuse to act, willfully, or with gross negligence, or with fraudulent or criminal intent, in the performance of his, her or its duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

10.7 Use and Maintenance of Tract A of First Plat Property. Tract A of the First Plat Property shall be permanently and perpetually used and maintained by the Association under the terms of this Homes Association Declaration as a landscaped buffer strip also providing open green space and for Subdivision entrance or identification monumentation. The landscaped buffer within said Tract A shall consist of two-inch (2") caliber deciduous trees and six-foot (6') evergreen trees.

IN WITNESS WHEREOF, the Developer has caused this Homes Association Declaration to be executed by its duly authorized officers as of the day and year first above written.

[ALL SIGNATURES MUST BE IN BLACK INK.]

DEVELOPER:

HUNT MIDWEST REAL ESTATE DEVELOPMENT, INC.

{CORPORATE SEAL}

By: *Ora H. Reynolds*
Ora H. Reynolds, Vice President and
General Manager of Residential Development

ATTEST:

By: *Donald K. Hagan*
Donald K. Hagan, Secretary

ACKNOWLEDGMENT

STATE OF MISSOURI)
) S.S.
COUNTY OF CLAY)

On this 12th day of July, 2004, before me, the undersigned Notary Public, personally appeared Ora H. Reynolds, who, being by me duly sworn, did say that she is the Vice President and General Manager of Residential Development of Hunt Midwest Real Estate Development, Inc., a Missouri corporation, that she executed the same on behalf of said corporation under and with the authority of its Board of Directors and she acknowledged that she executed the same as the free act and deed of said corporation for the purposes therein stated.

DONNA K. WILLIS
Notary Public - Notary Seal
STATE OF MISSOURI
(Notary Seal) County of Clay
My Commission Expires November 1, 2005

Donna K. Willis
Signature of Notary Public
DONNA K. WILLIS
Notary Public - Notary Seal
STATE OF MISSOURI
County of Clay
~~Typed or Printed Name Expires~~ November 1, 2005

My Commission expires:

11/1/05

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY PRIOR TO PLATTING

A subdivision of land in the Southwest Quarter of Section 18, Township 52, Range 34, Platte County, Missouri, being bounded and described as follows:

Commencing at the Northeast corner of said Southwest Quarter; thence South $0^{\circ}26'03''$ West along the East line of said Southwest Quarter, 591.80 feet to the True Point of Beginning to be herein described; thence continuing South $0^{\circ}26'03''$ West along said East line, 772.63 feet; thence South $89^{\circ}56'46''$ West, 1122.29 feet; thence North $0^{\circ}02'16''$ West, 130.29 feet; thence South $89^{\circ}57'44''$ West, 1.00 feet; thence North $0^{\circ}02'16''$ West, 185.00 feet; thence South $89^{\circ}57'44''$ West, 24.16 feet; thence North $06^{\circ}12'25''$ East, 65.71 feet; thence North $14^{\circ}16'19''$ East, 286.84 feet; thence North $62^{\circ}11'07''$ West, 31.50 feet; thence North $27^{\circ}48'53''$ East, 60.00 feet; thence North $20^{\circ}49'08''$ East, 204.54 feet; thence North $09^{\circ}19'57''$ East, 31.53 feet; thence South $68^{\circ}11'16''$ East, 273.13 feet; thence South $33^{\circ}30'51''$ East, 78.74 feet; thence South $02^{\circ}36'53''$ West, 175.40 feet; thence Easterly on a curve to the left, having an initial tangent bearing of North $89^{\circ}32'49''$ East, a radius of 545.00 feet, a central angle of $12^{\circ}45'34''$, an arc distance of 121.37 feet; thence Northerly on a curve to the left, having a common tangent with the last described course, a radius of 15.00 feet, a central angle of $73^{\circ}20'25''$, an arc distance of 19.20 feet; thence North $03^{\circ}26'50''$ East, 26.98 feet; thence South $86^{\circ}33'10''$ East, 50.00 feet; thence Easterly on a curve to the left, having an initial tangent bearing of South $03^{\circ}26'50''$ West, a radius of 15.00 feet, a central angle of $111^{\circ}02'12''$, an arc distance of 29.07 feet; thence North $72^{\circ}24'38''$ East, 251.98 feet; thence Easterly on a curve to the right, tangent to the last described course, having a radius of 640.00 feet, a central angle of $18^{\circ}01'26''$, an arc distance of 201.33 feet; thence South $89^{\circ}33'57''$ East, 2.22 feet; thence Northerly on a curve to the left, tangent to the last described course, having a radius of 25.00 feet, a central angle of $90^{\circ}00'00''$, an arc distance of 39.27 feet; thence South $89^{\circ}33'57''$ East, 40.00 feet to the True Point of Beginning. Containing 19.30 acres, more or less.

PLATTED LEGAL DESCRIPTION OF PROPERTY

Lots 1 through and including 50, and Tract A, RUNNING HORSE – FIRST PLAT, a major subdivision in Platte County, Missouri, according to the recorded plat thereof.