



CEDAR CREEK
THE COMMUNITY

BY-LAWS

AND

COVENANTS, CONDITIONS AND RESTRICTIONS

CEDAR CREEK

BY-LAWS

AND

COVENANTS, CONDITIONS AND RESTRICTIONS

SECTION I

Declarations of Covenants for the Cedar Creek Community

SECTION II

By-Laws of Cedar Creek Community Services Corporation

SECTION III

Declaration of Covenants, Conditions, and Restrictions for
Cedar Creek Village I

SECTION IV

By-Laws of Cedar Creek Village I Association, Inc.

Mid America Title
Company, Inc.

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DECLARATION OF COVENANTS
FOR THE
CEDAR CREEK COMMUNITY

STATE OF KANSAS]
COUNTY OF JOHNSON] SS
FILED FOR RECORD

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<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First</u> <u>Appearing</u>
"A"	Land Initially Submitted	1
"B"	By-Laws of Cedar Creek Community Services Corporation	2

DECLARATION OF COVENANTS

FOR THE

CEDAR CREEK COMMUNITY

THIS DECLARATION OF COVENANTS is made this 30TH day of JUNE, 1989, by Cedar Creek Properties, Inc., a Kansas corporation (hereinafter referred to as "Declarant").

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Community (as defined herein) mutually beneficial covenants under a general plan of improvement for the benefit of all owners of real property within the Community. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Community, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such real property as is now or hereafter subjected to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a condominium within the meaning of Kan. Stat. Ann. § 58-3101, et seq.

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Community Properties, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any Member become the responsibility of the Corporation. The office of any property manager

employed by or contracting with the Corporation, if located in the Community, or any public rights-of-way within or adjacent to the Community, may be part of the Area of Common Responsibility.

Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Cedar Creek Community Services Corporation, as filed with the Secretary of State of the State of Kansas.

Section 3. "Association Declarations" shall refer to the declarations of covenants, conditions, and restrictions for Cedar Creek Village I, for Cedar Creek Village II, for Cedar Creek Village III, and for Cedar Creek Nonresidential Properties, respectively, which declarations are or will be recorded in the public records of Johnson County, Kansas.

Section 4. "Board of Directors" or "Board" shall be the elected body of Cedar Creek Community Services Corporation having its normal meaning under Kansas corporate law.

Section 5. "Base Assessment" shall mean and refer to assessments levied against all Members to fund Common Expenses.

Section 6. "By-Laws" shall mean and refer to the By-Laws of Cedar Creek Community Services Corporation, attached hereto as Exhibit "B" and incorporated herein by reference, as they may be amended from time to time.

Section 7. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws.

Section 8. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Corporation for the general benefit of the Members, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation, but shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction and installation of infrastructure, original capital improvements or other initial construction costs unless approved by a majority of the Members.

Section 9. "Community" shall mean and refer to the real property described in Exhibit "A" attached hereto,

together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 10. "Community Properties" shall mean all real property and facilities which the Corporation owns and/or controls for the common use and enjoyment of all Owners. The Declarant reserves the right, acting on behalf of the Association, to dedicate all or any portion of the Community Properties to the City of Olathe or Johnson County, Kansas, at any time in its sole discretion and without the consent of any Member or other Person.

Section 11. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Community, as such standard may be more specifically determined by the Board of Directors.

Section 12. "Corporation" shall refer to Cedar Creek Community Services Corporation, a Kansas not-for-profit corporation, its successors or assigns.

Section 13. "Declarant" shall mean and refer to Cedar Creek Properties, Inc., a Kansas corporation, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit "A" or in Article VIII of this Declaration for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 14. "Master Land Use Plan" shall mean and refer to the plan for the development of the Community and that portion of the property described in Article VIII, Section 1 of this Declaration, which is owned by Declarant from time to time and subject to annexation to the Community, which plan was prepared by Gary Corser for Declarant and is subject to modification from time to time in the sole discretion of Declarant.

Section 15. "Member" shall mean and refer to Cedar Creek Village I Association, Inc., Cedar Creek Village II Association, Inc., Cedar Creek Village III Association, Inc. and Cedar Creek Nonresidential Association, Inc., or their respective successors and assigns, all of which are or will be organized as not-for-profit corporations under Kansas law; provided, none of the above shall be a Member hereunder until such time as it is incorporated under Kansas law.

Section 16. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 17. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 18. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 19. "Nonresidential Association" shall refer to Cedar Creek Nonresidential Association, Inc., a Kansas not-for-profit corporation, or its successors or assigns.

Section 20. "Nonresidential Unit" shall refer to a portion of the real property now or hereafter made subject to that certain Declaration of Covenants, Conditions and Restrictions for Cedar Creek Nonresidential Properties recorded or to be recorded in the Johnson County, Kansas, public records ("Nonresidential Declaration"), which is intended for independent ownership, development and use for any permitted nonresidential purpose, including, without limitation, offices, retail stores, neighborhood businesses and Private Recreational Parcels located within the Community, as more particularly described in the Nonresidential Declaration.

Section 21. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Community, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors the lessee (rather than the fee owner) will be considered the Owner for the purpose of exercising all privileges of membership in the Corporation.

Section 22. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 23. "Private Recreational Parcel" shall mean any parcel of land within or adjacent to the Community which is privately owned by Cedar Creek Properties, Inc., its successors, successors-in-title, or assigns, and which is operated as a private membership club or on a commercial basis for recreational purposes, which may include, but shall not be limited to, golf courses, clubhouses, pools, tennis courts and any and all related and supporting facilities and improvements.

Section 24. "Recreational Assessment" shall refer to assessments for expenses (hereinafter collectively referred to as "Recreational Expenses") associated with the maintenance, repair, replacement and insurance of that portion of the Community Properties identified as "Common Recreational Parcels" herein, on any unilateral amendment hereto filed by Declarant, or on any recorded plat filed by Declarant for a portion of the Community. The Common Recreational Parcels shall initially include that property located in Johnson County, Kansas known as Shadow Lake and the shoreline thereof to a distance of thirty (30) feet above the higher of (a) the 860 foot elevation as shown by U.S.G.S. Datum, or (b) the actual water's edge. Recreational Assessments shall be levied only upon the Village Associations.

Section 25. "Residential Unit" shall mean a portion of the Community, whether developed or undeveloped, intended for development, use, and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Community. The term shall include all portions of the lot owned as well as any structure thereon. In the case of an apartment building or other structure which contains multiple dwellings, each dwelling shall be deemed to be a separate Residential Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Residential Units designated for residential use for such parcel on the Master Land Use Plan or the site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by the local governmental entity having jurisdiction. After issuance of a certificate of occupancy on any portion thereof, the portion designated in the certificate of occupancy shall constitute a separate Residential Unit or Units as determined above and the number of Residential Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 26. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 4 of this Declaration.

Section 27. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or

consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to the instrument recorded by the Corporation pursuant to Article VIII, Section 2 of this Declaration to subject additional property to this Declaration.

Section 28. "Unit" shall be an inclusive term referring to both Nonresidential and Residential Units.

Section 29. "Village Associations" shall refer to Cedar Creek Village I Association, Inc., Cedar Creek Village II Association, Inc., and Cedar Creek Village III Association, Inc., their respective successors and assigns, all of which are not-for-profit corporations organized or to be organized under Kansas law; provided, the term shall not include any of the above-named entities until such time as it is incorporated under Kansas law.

Article II Property Rights

Section 1. General. Every Owner shall have a right and easement of enjoyment in and to the Community Properties, subject to:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Corporation;

(b) the right of the Corporation to limit the number of guests who may use the Community Properties, and to adopt rules regulating the use and enjoyment of the Community Properties;

(c) the right of the Corporation to suspend the right of an Owner to use any recreational facilities within the Community Properties for a period not to exceed thirty (30) days for each violation of the Declaration, By-Laws, or rules of the Corporation after notice and a hearing pursuant to the Article III, Section 20 of the By-Laws;

(d) the right of the Corporation to dedicate or transfer all or any part of the Community Properties pursuant to Article XII, Section 5 hereof;

(e) the right of the Corporation to impose reasonable membership requirements and charge reasonable admission or

other fees for the use of any recreational facility situated upon the Community Properties; and

(f) the right of the Corporation to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Any Owner of a Residential Unit may delegate his or her right of enjoyment to the members of his or her family, lessees and social invitees, as applicable. Any Owner of a Nonresidential Unit may delegate his or her right of enjoyment to its employees, lessees, or lessees' employees. Any such delegation shall be subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Section 2. Private Recreational Parcels. Access to the Private Recreational Parcels within or adjacent to the Community is strictly subject to the terms, conditions, rules and procedures established by the respective owners of the Private Recreational Parcels. No Owner or occupant of any Unit gains any right to enter or to use those facilities by virtue of ownership or occupancy of a Unit.

Article III Membership and Voting Rights

The Corporation shall have two (2) classes of membership, Class "A" and Class "E", as follows:

(a) Class "A". The Class "A" Members shall be Cedar Creek Village I Association, Inc., Cedar Creek Village II Association, Inc., Cedar Creek Village III Association, Inc., and Cedar Creek Nonresidential Association, Inc., or their respective successors or assigns; provided, none of the above-named entities shall become a Class "A" Member until such time as it is incorporated under Kansas law.

Class "A" Members shall be entitled to one (1) equal vote on all matters requiring a vote of the membership hereunder. The board of directors of each Member shall determine the manner in which such Member's vote is to be cast. Such vote shall be cast on behalf of each Member by the individual designated in a proxy duly executed and filed with the Secretary of the Corporation from time to time.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2, of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" membership shall terminate upon the earlier of:

(i) two (2) years after expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or

(ii) when the Declarant no longer owns any property subject to this Declaration or subject to annexation under Article VIII hereof;

unless the Declarant voluntarily terminates the Class "B" membership on an earlier date by written, recorded instrument.

Article IV Maintenance

The Corporation shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements, including all private streets, if any, situated upon the Community Properties, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Corporation.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair, replacement and insurance of Community Properties shall be a Common Expense to be allocated among all Members as part of the Base Assessment. All costs associated with maintenance, repair, replacement and insurance of Common Recreational Parcels, as defined in Article I, Section 24 hereof, shall be assessed as a Recreational Assessment solely against the Village Associations. Notwithstanding anything to the contrary contained herein, Declarant shall have the unilateral right to amend this Declaration to designate, or to file plats of record which designate, additional property and/or facilities as

Common Recreational Parcels, at any time and from time to time, as long as Declarant owns any property subject to this Declaration or subject to annexation pursuant to Article VIII hereof.

The Corporation may also assume the maintenance responsibilities of any Member pursuant to the declaration of covenants, conditions and restrictions governing the property subject to such Member's jurisdiction either by agreement with the Member or because, in the opinion of the Board, the Member is failing to perform its responsibilities as required under such declaration; provided, in the latter case the Corporation shall not undertake to perform any such maintenance responsibilities of a Member except upon written petition of another Member and approval of such action by a majority of the total number of directors on the Board of Directors. All costs of maintenance pursuant to this paragraph shall be assessed as a Special Assessment only against the Member to which the services are provided. The provision of services in accordance with this paragraph shall not constitute discrimination within a class.

The Corporation may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Article V Insurance and Casualty Losses

Section 1. Insurance. The Corporation's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Community Properties. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Corporation shall have no insurance responsibility for any part of any Private Recreational Parcel.

The Board shall also obtain a public liability policy covering the Area of Common Responsibility, the Corporation, its Members and their respective members for all damage or injury caused by the negligence of the Corporation or any of

the above or their agents. The public liability policy shall have at least a Three Million (\$3,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Five Million (\$5,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance obtained by the Corporation shall be Common Expenses of the Corporation and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1; provided, premiums attributable to insurance on improvements maintained through Recreational Assessments shall be included in the Recreational Assessment and assessed solely against the Village Associations. The policies may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Corporation. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in Kansas which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

(b) Exclusive authority to adjust losses under policies obtained by the Corporation shall be vested in the Corporation's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Corporation's Board of Directors hereunder be brought into contribution with insurance purchased by any Member, individual Owners, occupants, or their Mortgagees.

(d) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Johnson County, Kansas, area.

(e) The Corporation's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Corporation's Board of Directors, its manager, its Members, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any one or more Members or Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Corporation or its duly authorized manager without prior demand in writing delivered to the Corporation to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Corporation, its manager, any Member, Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy exclude Members' and Owners' policies from consideration; and

(vi) a statement that the Corporation will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Corporation's funds, if reasonably available. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' installments of the Base Assessments against all Members, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Corporation of any cancellation, substantial modification, or non-renewal.

Section 2. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Community covered by insurance written in the name of the Corporation, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the improvements on the Community Properties shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total Class "A" vote shall decide within sixty (60) days after the casualty not to repair or reconstruct. No Member's vote shall be cast in favor of not repairing or reconstructing unless approved by seventy-five (75%) percent of such Member's board of directors. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Corporation within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Community Properties shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Community Properties shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Community Properties shall be restored to its natural state and maintained by the Corporation in a neat and attractive condition consistent with the Community-Wide Standard.

Section 3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Community

Properties shall be retained by and for the benefit of the Corporation and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining shall be retained by and for the benefit of the Corporation and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 4. Repair and Reconstruction. If the damage or destruction to the Community Properties for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Members on the same basis as provided for Base Assessments; provided, if the damage or destruction involves the property maintained through Recreational Assessments, only the Village Associations shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no judicial partition of the Community Properties or any part thereof, nor shall any Person acquiring any interest in the Community or any part thereof seek any judicial partition unless the property has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII Condemnation

Whenever all or any part of the Community Properties shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least seventy-five (75%) percent of the total Class "A" vote in the Corporation and of the Declarant, as long as the Declarant owns any property subject to this Declaration or subject to annexation to this Declaration pursuant to Article VIII hereof) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking

shall be payable to the Corporation as trustee for all Members to be disbursed as follows:

If the taking involves a portion of the Community Properties on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property subject to this Declaration or subject to annexation pursuant to Article VIII hereof, and Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Corporation shall otherwise agree, the Corporation shall restore or replace such improvements so taken on the remaining land included in the Community Properties to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Corporation. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Community Properties, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Corporation and used for such purposes as the Board of Directors of the Corporation shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Membership. Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described below has been subjected to this Declaration or December 31, 2029, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Corporation all or any portion of the real property located in Johnson County, Kansas and owned by Declarant on the date this Declaration is recorded and/or any additional real property acquired by Declarant after the date this Declaration is recorded within a radius of two (2) miles from the outermost perimeter boundary of such property. Such annexation shall be accomplished by filing in the public records of Johnson County, Kansas, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Members or Owners, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibit "A" or in this Section and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Membership. Subject to the consent of the owner thereof, the Corporation may annex real property other than that described in Article VIII, Section 1, and following the expiration of the right in Section 1, any property described in Section 1, to the provisions of this Declaration and the jurisdiction of the Corporation. Such annexation shall require the affirmative vote of Members representing a majority of the total Class "A" votes of the Corporation and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the public records of Johnson County, Kansas, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Corporation, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

Section 3. Withdrawal of Property. Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the Community pursuant to this Article VIII, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the real property then owned by the Declarant or its affiliates or the Corporation from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Cedar Creek Community desired to be effected by the Declarant, including a decision to dedicate all or any portion of the Community Properties to any local government, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Cedar Creek.

Section 4. Acquisition of Additional Community Properties. Declarant may convey to the Corporation additional real estate, improved or unimproved, located within the properties described in Exhibit "A" or Article VIII, Section 1 which upon conveyance or dedication to the Corporation shall be

accepted by the Corporation and thereafter shall be maintained by the Corporation for the benefit of all its Members.

Section 5. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" or Article VIII, Section 1 hereof.

Article IX
Rights and Obligations of the Corporation

Section 1. Community Properties. The Corporation, subject to the rights of the Members and Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Community Properties and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Corporation, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Corporation, shall accept any real or personal property, leasehold, or other property interests within the Community conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Corporation, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Community Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to use any recreational facilities within the Community Properties. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Corporation.

The Corporation, through its Board, by contract or other agreement, shall have the right to enforce city ordinances and county resolutions and to permit the City of Olathe and Johnson County, Kansas, to enforce ordinances and resolutions in the Community for the benefit of the Corporation and its Members.

Section 4. Implied Rights. The Corporation may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. The Corporation shall permit the Declarant reasonable authority to designate sites within the Community for fire, police, water, and sewer facilities, public schools and parks, and other public facilities.

Article X Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Common Expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Corporation; (b) Recreational Assessments for Recreational Expenses; and (c) Special Assessments as described in Section 4 below.

Base Assessments shall be levied on all Members in proportion to the "total assessable acreage" subject to the jurisdiction of each, as described in Section 2 of this Article. Recreational Assessments shall be levied on each Village Association in the same proportion as the number of Residential Units subject to assessment by the Village Association bears to the total number of Residential Units subject to assessment by all Village Associations. Special Assessments shall be levied as provided in Section 4 below.

The amount of assessments levied by the Corporation against each Member shall be included as a line item in the budget of each Member and shall have first priority for payment out of the income of each Member. Each Member shall be personally obligated for payment of such assessments; however, each Owner, by acceptance of a deed or recorded contract of sale on any Unit, agrees to be secondarily liable for payment of his pro rata share of the assessments due from the Member having jurisdiction over his Unit.

All assessments, together with interest (at a rate not to exceed the highest rate allowed by Kansas law) as computed from the date the delinquency first occurs, late charges,

costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon every Unit subject to the jurisdiction of the Member against which each assessment is made. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Any Owner may satisfy his personal obligation and release the lien on his Unit for unpaid assessments due the Corporation by paying to the Corporation his pro rata share of the amounts due from the Village Association or Nonresidential Association of which he is a member.

The Corporation shall, upon demand at any time, furnish to any Member liable for any type of assessment a certificate in writing signed by an officer of the Corporation setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment to the Corporation of such assessment therein stated to have been paid. The Corporation may require the advance payment of a processing fee not to exceed Fifty (\$50.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration of the annual Base Assessment and any Recreational Assessment against a Member in the event that such Member is delinquent in paying any amount due. Unless the Board otherwise provides, the Base Assessment and Recreational Assessments shall be paid in quarterly installments in advance on the first day of each calendar quarter.

No Member or Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Community Properties or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Member and Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Corporation or Board to take some action or perform some function required to be taken or performed by the Corporation or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are

the responsibility of the Corporation, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

So long as the Declarant has an option unilaterally to subject additional property to this Declaration, Declarant shall be obligated for the difference between the amount of assessments levied on all Members and the amount of actual expenditures required to operate the Corporation during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

The Corporation is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Corporation's expenses.

Section 2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses to be incurred by the Corporation during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared.

The Base Assessment to be levied for the coming year against each Member shall be computed by dividing the budgeted Common Expenses by the total assessable acreage within the Community, then multiplying that result by the total assessable acreage subject to the jurisdiction of such Member. For purposes of this Declaration, "total assessable acreage" shall refer to the total acreage subject to assessment under each Association Declaration as of the date the budget is adopted. The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Member for the following year to be delivered to each Member at least thirty (30) days prior to the beginning of the fiscal year.

In the event the Board fails for any reason so to determine the budget for Common Expenses for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Computation of Recreational Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate

budget covering the estimated Recreational Expenses to be incurred during the coming year. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of any capital items. The Recreational Assessment to be levied for the coming year against each Village Association shall be computed by dividing the budgeted Recreational Expenses by the total number of Residential Units subject to assessment by all Village Associations ("assessable Residential Units"), then multiplying by the number of assessable Residential Units subject to the jurisdiction of such Village Association. The Board shall cause a copy of such budget and notice of the amount of the Recreational Assessment to be levied on each Village Association for the coming year to be delivered to each Village Association at least thirty (30) days prior to the beginning of the fiscal year.

In the event the Board fails for any reason so to determine the budget for Recreational Expenses for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments.

(a) Entire Membership. The Corporation may levy Special Assessments from time to time provided such assessment receives the affirmative vote or written consent of Members representing at least seventy-five (75%) percent of the total Class "A" votes subject to such assessment and the affirmative vote or written consent of the Class "B" Member, if such exists. The obligation of the Members to pay Special Assessments shall be computed on the same basis as Base Assessments; provided, however, the Nonresidential Association shall be exempt from special assessments for Recreational Expenses. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

(b) Less Than All Members. The Corporation may levy a Special Assessment against any Member to reimburse the Corporation for costs incurred on behalf of the Member pursuant to the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, or the Corporation's rules, which Special Assessment may be levied for costs incurred at the request of the Member or for costs incurred in bringing a Member into compliance with the terms of this Declaration or the declaration applicable to the properties administered by the Member; provided, in the latter case, the Board shall not

take any action on behalf of a Member necessitating costs to be incurred except on petition of a Member and approval of a majority of the total Board after notice to the affected Member and an opportunity for a hearing. If the Corporation expects to incur costs on a regular basis which benefit less than all Members, such benefitted Members may be assessed regularly for such costs pursuant to this Section 4(b).

Section 5. Lien for Assessments. Upon filing with the Register of Deeds of Johnson County, Kansas, a certificate of nonpayment identifying the Units subject to the jurisdiction of any Member delinquent in paying any amounts due to the Corporation, there shall exist perfected liens in favor of the Corporation against each such Unit for unpaid assessments. The certificate of nonpayment shall be executed under oath by an officer of the Corporation and dated, and shall state the amount of such nonpayment. The lien evidenced thereby shall be prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value; and (3) the lien for assessments by any condominium association having jurisdiction over the Unit. Such liens, when delinquent, may be enforced by suit, judgment, and foreclosure. The Corporation, acting on behalf of the Members, shall have the power to bid for any Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Suit to recover a money judgment for unpaid assessments and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. The nonpayment of any assessment or other charge due hereunder shall create and give rise to the lien, and the filing of a certificate of nonpayment shall be for perfection of such lien and evidentiary purposes only and shall not be necessary for the creation of such lien.

Section 6. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Corporation, as shown on the budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and assessment pursuant to Sections 2 and 3 of this Article.

Section 7. Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence as to each Member on the first day of the third month following its incorporation under the laws of the State of Kansas. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year at the time the obligation for assessments commences.

Section 8. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Kansas law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, it shall not be liable for assessments chargeable to such Unit which became due prior to such acquisition of title. Such unpaid assessments shall be collectible from Owners of all the Units subject to the jurisdiction of the delinquent Member, including such acquirer, its successors and assigns.

Article XI Use Restrictions

The Corporation, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Community Properties, in addition to those contained herein, and to impose reasonable user fees for use of facilities on the Community Properties.

Section 1. Signs. No sign of any kind shall be erected on the Community Properties without the written consent of the Board of Directors, except entry and directional signs installed by Declarant and such signs as may be required by legal proceedings. If permission is granted to any Person to erect a sign on the Community Properties, the Board reserves the right to restrict the size, color, lettering and placement of such sign. The Board of Directors or Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

Section 2. Vehicles.

(a) Motorcycles, motor bikes, mopeds and other motor vehicles, other than golf carts, shall be operated only by properly licensed drivers and only on paved streets unless otherwise authorized by the Board of Directors. Golf carts shall be operated only on paved streets or designated golf cart paths.

(b) Vehicles shall be parked on the Community Properties only in designated parking areas and then subject to such reasonable rules and regulations as the Board of Directors may adopt. No parking shall be permitted on road shoulders or streets within the Community Properties, except that the Declarant and/or the Corporation may designate certain on-street parking areas for visitors or guests subject to reasonable rules. No vehicle shall be parked on the Community Properties overnight. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with Article III, Section 20 of the By-Laws.

Section 3. Persons Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern conduct on the Community Properties shall apply to all Owners, occupants, guests and invitees of any Unit. Every Owner shall cause all occupants, guests and invitees of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such persons and all damage to the Community Properties resulting therefrom, notwithstanding the fact that such persons are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Community Properties; provided, horses may be kept in areas, if any, designated by the Board for the stabling of horses and may be ridden on trails designated for horseback riding. Pets which are permitted to roam free, or, in the sole discretion of the Corporation, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to other users of the Community Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. Dogs shall at all times be confined on a leash held by a responsible person when on the Community Properties. Nothing herein shall be construed to restrict the Corporation's right to designate areas within the Community Properties as bird sanctuaries, or

to operate fish hatcheries, or otherwise to raise, breed, or encourage the propagation of wildlife.

Section 5. Quiet Enjoyment. No portion of the Community Properties shall be used, in whole or in part, for the storage of any personal property other than that of the Corporation; nor shall any substance, thing, or material be brought upon any portion of the Community Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other users of the Community Properties or the occupants of surrounding property.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Community Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Community Properties. No plant or animal or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community Properties shall be brought upon or left upon the Community Properties.

No burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Community Properties, except as may be specifically authorized by the Board of Directors. There shall be no littering on the Community Properties; all trash and garbage shall be disposed of in appropriate containers.

The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Community Properties.

Section 6. Firearms. The discharge and display of firearms within the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Corporation shall not be obligated to take action to enforce this Section.

Section 7. Hunting. Hunting and killing of wild animals is prohibited within the Community Properties except as may be necessary to prevent imminent harm to a person or

persons using the Community Properties or except as otherwise may be approved by the Board of Directors.

Section 8. Tents, Trailers and Temporary Structures. No tent, trailer, recreational vehicle, camper, shack, hut or other structure of a temporary nature shall be placed or erected on any part of the Community Properties, except as may be permitted by the Board of Directors in conjunction with special events sponsored by the Corporation or approved by the Board. No overnight camping shall be permitted within the Community Properties.

Section 9. Tree Removal. No trees, shrubs, or other native vegetation, whether living or dead, including wood, tree limbs and other by-products thereof, shall be cut, disturbed or removed from any portion of the Community Properties without the prior consent of the Board of Directors.

Section 10. Lakes and Water Bodies. All lakes, ponds, and streams, and other bodies of water within the Community Properties, other than Shadow Lake, shall be aesthetic amenities only, and no other use thereof, including, without limitation, fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted without the prior approval of the Board of Directors; provided, fishing from shorelines or banks shall be permitted with proper licenses. Under no circumstances shall swimming be permitted in any lake, pond or stream within the Community Properties. Recreational use of Shadow Lake shall be permitted subject to rules and regulations established by the Board, which rules may restrict any type of activity which the Board, in its discretion, determines inappropriate. The Corporation shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams, or other bodies of water within the Community Properties. No docks, piers or other structures shall be constructed on or over any body of water within the Community Properties, except such as may be constructed by the Declarant or the Corporation.

Section 11. Playground. Any playground or other play areas or equipment furnished by the Corporation or erected within the Community Properties shall be used at the risk of the user, and the Corporation shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 12. Business Use. No garage sale, moving sale, rummage sale or similar activity and no trade or business shall be conducted on or from any portion of the Community

Properties by any Person other than the Corporation, and no soliciting, posting of signs, or other advertising of any kind shall be permitted on the Community Properties, except with the prior written approval of the Board of Directors.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in on an isolated basis, or full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. This Section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development within the Community and/or sale of Units.

Section 13. Golf Carts. No golf carts shall be operated within the Community Properties, except on golf cart paths and easements specifically designated for golf cart use in connection with golf course play, if any.

Section 14. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Community and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Article XII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind all property in the Community, and shall inure to the benefit of and shall be enforceable by the Corporation or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to

terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. Prior to the conveyance of the first Unit in the Community, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibit "A" or Article VIII, Section 1 hereof, for development as part of the Community, the Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five (75%) percent of the total Class "A" votes in the Corporation and the consent of the Class "B" Member, so long as such membership exists. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Johnson County, Kansas.

If any officer of a Member consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such officer has the authority so to consent on behalf of the Member and no contrary provision in the by-laws or articles of incorporation of such Member or in any Mortgage or contract between any Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Corporation shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation, and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Corporation shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Community Properties adjacent thereto due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant, or the Corporation.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit "A" or Article VIII, Section 1, the Corporation, and the designees of each (which may include, without limitation, the City of Olathe, Johnson County, Kansas, and any utility), blanket easements upon, across, over, and under all of the Community for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle

pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across the Community Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Community Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement affecting the Community.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Community Properties to the City of Olathe, Johnson County, Kansas, or to any other local, state, or federal governmental entity; provided, after the expiration of the Class "B" Control Period, any dedication shall be subject to such approval requirements as may be contained in Article XIII, Section 2 of this Declaration.

Section 6. Easement for Golf Balls. The Community Properties are burdened with an easement permitting golf balls unintentionally to come upon the Community Properties immediately adjacent to the golf course and for golfers at reasonable times and in a reasonable manner to come upon the Community Properties to retrieve errant golf balls.

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Corporation unless approved by a vote of seventy-five (75%) percent of the Class "A" Members. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles of Incorporation or By-Laws of the Corporation to the contrary, a Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by seventy-five (75%) percent of the total Class "A" vote of its members. This Section shall not apply, however, to (a) actions brought by the Corporation to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Corporation in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 10. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those administered by each of the Corporation's Members and the Corporation may, upon petition of any Member and a majority vote of the total Board, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the Corporation's By-Laws and Articles of Incorporation shall be superior and controlling. The foregoing priorities shall apply, but shall not be limited to, the lien for assessments created in favor of the Corporation.

Section 11. Compliance. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Corporation. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Corporation, any Member, or, in a proper case, by any aggrieved Unit Owner or Owners.

Section 12. Security. The Corporation may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than it otherwise might be. NEITHER THE CORPORATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED

INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY, HOWEVER, AND NEITHER THE CORPORATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE CORPORATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT ANY SECURITY OR SIMILAR SYSTEM OR MEASURES UNDERTAKEN MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY SUCH SYSTEMS OR MEASURES WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, ROBBERY, OR OTHERWISE, NOR THAT SUCH SYSTEMS OR MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE CORPORATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE CORPORATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMUNITY.

Article XIII
Mortgage Provisions

The following provisions are for the benefit of holders of first Mortgages on Residential Units in the Community. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Corporation (such request to state the name and address of such holder, insurer, or guarantor and the Residential Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects

any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Residential Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Corporation of any default in the performance by an Owner of a Residential Unit of any obligation under the Declaration or By-Laws of the Corporation which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Corporation; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven (67%) percent of the first Mortgagees or Members representing at least sixty-seven (67%) percent of the total Corporation vote entitled to be cast thereon consent, the Corporation shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Community Properties which the Corporation owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Community Properties shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against a Member (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the property in the Community regarding assessments on Units subject thereto shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Community Properties (The issuance and

amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Community Properties losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Community Properties and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of a Corporation policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Corporation.

Section 3. Other Provisions for First Lien Holders.
To the extent possible under Kansas law:

(a) Any restoration or repair of the Community Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the eligible holders of first Mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to Mortgages held by such eligible holders are allocated.

(b) Any election to dissolve the Corporation after substantial destruction or a substantial taking in condemnation shall require the approval of the eligible holders of first Mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to Mortgages held by such eligible holders are allocated.

Section 4. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or dissolution of the Corporation made as a result of destruction, damage, or condemnation pursuant to Section 3 (a) and (b) of this Article, or to the addition of land in accordance with Article VIII.

(a) The consent of Members representing at least sixty-seven (67%) percent of the Class "A" votes in the Corporation and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the eligible holders of first Mortgages on Units to which at least

sixty-seven (67%) percent of the votes of Units subject to a Mortgage appertain, shall be required to dissolve the Corporation.

(b) The consent of Members representing at least sixty-seven (67%) percent of the Class "A" votes in the Corporation and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of eligible holders of first Mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Corporation, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Community Properties;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Community Properties;
- (vi) responsibility for maintenance and repair of the Community Properties;
- (vii) expansion or contraction of the Community or the addition, annexation, or withdrawal of property, except upon dedication to local government as provided in Article XIII, Section 5;
- (viii) boundaries of any Unit;
- (ix) leasing of Units;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (xi) establishment of self-management by the Corporation where professional management has been required by an eligible holder; or
- (xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are

for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

Section 5. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Community Properties.

Section 6. Notice to Corporation. Upon request, each Owner shall be obligated to furnish to the Corporation the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 7. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Members or any Owner, may cause an amendment to this Article to be recorded to reflect such changes.

Section 8. Applicability of Article XIII. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Kansas law for any of the acts set out in this Article.

Section 9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Corporation does not receive a written response from the Mortgagee within thirty (30) days of the date of the Corporation's request.

Article XIV Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Johnson County, Kansas. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property described in Article VIII, Section 1, hereof in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue anywhere in the Community, whether being conducted by Declarant or others, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Community Properties such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units owned by the Declarant and any clubhouse, community center, or similar facilities which may be owned by the Corporation, as models, sales offices, administrative offices, or for other purposes.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) thirty (30) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 30th day of June, 1989.

CEDAR CREEK PROPERTIES, INC., a
Kansas corporation

By: James P. Sunderland
JAMES P. SUNDERLAND, President

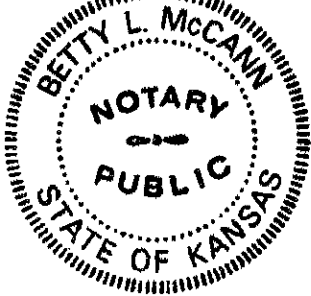
Attest: Charles T. Sunderland
CHARLES T. SUNDERLAND, Secretary



STATE OF KANSAS)
)
COUNTY OF JOHNSON) SS

BE IT REMEMBERED that on this 30th day of June, 1989, before me, the undersigned, a Notary Public in and for said County and State, came James P. Sunderland, President, and Charles T. Sunderland, Secretary, of Cedar Creek Properties, Inc., a Kansas corporation, who are personally known to me to be the same persons who executed the foregoing instrument in writing on behalf of said corporation, and such persons duly acknowledged the execution of the same to be the act and deed of same corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Betty L. McCann
NOTARY PUBLIC

Betty L. McCann
Print Name

My Commission Expires: 4-10-90

1928g -- 06/29/89

EXHIBIT "A"

LAND INITIALLY SUBMITTED

Cedar Creek Village 1, First Plat - Description:

Part of the SW $\frac{1}{4}$ of Section 5, the SE $\frac{1}{4}$ of Section 6, the NE $\frac{1}{4}$ of Section 7, and the NW $\frac{1}{4}$ of Section 8, Township 13S, Range 23E, all in the City of Olathe, Johnson County, Kansas, and more particularly described as follows:

Commencing at the NW corner of the SW $\frac{1}{4}$ of said Section 5, Township 13, Range 23, Johnson County, Kansas; thence S. 2°55'24" E., along the W. line of said SW $\frac{1}{4}$, and the E. line of the SE $\frac{1}{4}$ of said Section 6, for a distance of 1436.43 feet to a point; thence N 87°04'36" E., along a line which is perpendicular to the last described course, for a distance of 256.15 feet to the Point of Beginning of the herein after described tract; thence Easterly along a curve to the left which has an initial tangent bearing of S. 83°14'26" E., a radius of 1260.00 feet, a central angle of 15°44'25", and a length of 346.15 feet to a point; thence S. 15°52'33" E., a distance of 141.54 feet; thence S. 23°36'39" E., a distance of 169.47 feet; thence S. 36°35'06" E., a distance of 55.36 feet; thence S. 6°38'44" E., a distance of 321.15 feet; thence S. 13°01'15" W., a distance of 158.20 feet; thence S. 23°52'51" E., a distance of 45.08 feet; thence S. 3°03'01" E., a distance of 171.01 feet; thence S. 5°08'01" E., a distance of 212.58 feet to a point in the NW $\frac{1}{4}$ of said Section 8-13-23; thence S. 49°57'52" W. a distance of 262.97 feet; thence S. 64°47'43" W., a distance of 75.25 feet; thence S. 38°46'39" W., a distance of 86.70 feet; thence S. 48°24'39" W., a distance of 98.46 feet; thence S. 58°12'11" W., a distance of 88.84 feet; thence S. 44°36'05" W., a distance of 194.78 feet; thence S. 66°26'20" W., a distance of 113.58 feet to a point in the NE $\frac{1}{4}$ of said Section 7-13-23; thence N. 23°00'03" W., a distance of 859.90 feet to a point in the SE $\frac{1}{4}$ of said Section 6-13-23; thence S. 89°10'29" E., a distance of 359.46 feet to a point of curvature, which point lies in the SW $\frac{1}{4}$ of said Section 5-13-23; thence along a curve to the left which has a radius of 75.00 feet, a central angle of 136°39'51", and a length of 178.89 feet; thence N. 69°18'35" E., a distance of 50.27 feet to a point of curvature; thence Northwesterly along a curve to the left which has an initial tangent bearing of N. 80°49'05" E., a radius of 150.00 feet, a central angle of 84°43'41", and a length of 221.82 feet to a point of tangency; thence N. 3°54'36" W., a distance of 459.40 feet to a point of curvature; thence Northwesterly along a curve to the left having a radius of 150.00 feet, a central angle of 53°35'06", and a length of 140.29 feet to a point of tangency; thence N. 57°29'42" W., a distance of 30.46 feet; thence N. 27°58'28" E., a distance of 123.31 feet to the Point of Beginning, and containing 21.921 acres, more or less.

EXHIBIT "B"

BY-LAWS

OF

CEDAR CREEK COMMUNITY SERVICES CORPORATION

HYATT & RHOADS, P.C.

Attorneys

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1929g

BY-LAWS
OF
CEDAR CREEK COMMUNITY SERVICES CORPORATION

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Corporation shall be Cedar Creek Community Services Corporation (hereinafter referred to as the "Corporation").

Section 2. Principal Office. The principal office of the Corporation in the State of Kansas shall be located in Johnson County. The Corporation may have such other offices, either within or outside the State of Kansas, as the Board of Directors may determine or as the affairs of the Corporation may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants for the Cedar Creek Community (said Declaration, as amended, renewed, or extended from time to time, is hereinafter referred to as the "Declaration"), unless the context shall prohibit.

Article II
Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Corporation shall have two (2) classes of membership, Class "A" and Class "B". The Class "A" members shall be the Cedar Creek Village I Association, Inc., the Cedar Creek Village II Association, Inc., the Cedar Creek Village III Association, Inc. and the Cedar Creek Nonresidential Association, Inc., their respective successors and assigns; provided, none of the above-named entities shall become a member until such time as it is incorporated under Kansas law. The sole Class "B" member shall be the Declarant, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Corporation shall be held at the principal office of the Corporation or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Community or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Corporation, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Corporation. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Corporation's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Corporation if so directed by resolution of a majority of a quorum of the Board of Directors or upon the written petition of any Member. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member's proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Corporation cannot be held because a quorum is not present, a majority of the Members who are represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members represented at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that at least fifty percent (50%) of the total Class "A" votes of the Corporation continued to be represented, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. The board of directors of each Member shall determine the manner in which such Member's vote is to be cast and shall so advise its designated proxy holder.

Section 9. Proxies. The vote of each Member shall be cast by the individual designated in a proxy duly executed on behalf of the Member, dated and filed with the Secretary of the Corporation prior to the vote for which it is to be effective.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence by proxy of Members representing a majority of the total vote of the Corporation shall constitute a quorum at all meetings of the Corporation. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Corporation, and the Secretary

shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed on behalf of all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Corporation shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Unit Owners; provided, two (2) or more co-owners of a Unit may not serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Corporation as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. Subject to the provisions of Section 5 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(a) when seventy-five (75%) percent of the Units permitted by the Master Land Use Plan have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;

(b) December 31, 2019; or

(c) when, in its discretion, the Class "B" Member so determines.

Section 3. Right To Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee thereof, as is more fully provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board of Directors or any committee thereof shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Corporation, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Corporation. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Corporation, or any individual member of the Corporation, if Board, committee, or membership approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Corporation. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Corporation is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors of the Corporation shall be not less than five (5)

nor more than nine (9), as provided in Section 5 below. The initial Board shall consist of five (5) members as identified in the Articles of Incorporation.

Section 5. Election and Term of Office.

Notwithstanding any other provision contained herein:

(a) Upon termination of the Class "B" Control of each Class "A" Member of the Corporation, as defined in their respective by-laws, such Member shall be entitled to appoint one (1) director to the Board of Directors, to serve in addition to the five (5) directors appointed by the Declarant pursuant to Section 2 of this Article III. The director so appointed may be removed and replaced by the appointing Member at any time and shall serve at the discretion of the appointing Member, but shall not be subject to removal by any other Member.

(b) Upon termination of the Class "B" Control Period, as defined in Section 2 of this Article III, the terms of office of all directors appointed by the Class "B" Member shall terminate. Each Class "A" Member other than the Nonresidential Association shall be entitled to appoint an additional director to serve on the Board of Directors, for a total of two (2) directors appointed by each Village Association. The Nonresidential Association shall be entitled to appoint two (2) additional directors to serve on the Board of Directors, for a total of three (3) directors appointed by the Nonresidential Association. The directors so appointed may be removed and replaced by the appointing Members at any time and shall serve at the discretion of the appointing Members, but shall not be subject to removal by any other Member.

B. Meetings.

Section 6. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter; provided, during the Class "B" Control Period the Board shall be required to hold only two (2) meetings during each fiscal year, with at least one (1) meeting during the first six (6) months and one (1) meeting during the last six (6) months of the fiscal year. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be

given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Corporation or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Corporation. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 9. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, provided at least one (1) director appointed by the Nonresidential Association is present. The votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original

meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Compensation. No director shall receive any compensation from the Corporation for acting as such unless approved by Members representing a majority of the total Class "A" vote of the Corporation at a regular or special meeting of the Corporation; provided any director may be reimbursed for expenses incurred on behalf of the Corporation upon approval of a majority of the other directors.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 13. Open Meetings. Subject to the provisions of Section 14 of this Article, all meetings of the Board shall be open to representatives of all Members, but persons other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any such person may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

Section 14. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 15. Powers. The Board of Directors shall be responsible for the affairs of the Corporation and shall have all of the powers and duties necessary for the administration of the Corporation's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the membership.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Corporation that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with Article X of the Declaration, of annual budgets for Common Expenses and Residential Expenses;

(b) making assessments to defray the Common Expenses and Recreational Expenses, establishing the means and methods of collecting such assessments, and establishing the period of installment payments, if permitted of the assessments; provided, unless otherwise determined by the Board of Directors, Base Assessments and Residential Assessments shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of the quarter for such quarter.

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Corporation and the maintenance, operation, repair, and replacement of the Corporation, its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Corporation; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations applicable to the Community Properties;

(g) opening of bank accounts on behalf of the Corporation and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Community Properties in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members or Owners concerning the Corporation;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to or on behalf of the Corporation and not chargeable directly to specific Members or Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Corporation and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and all other books, records, and financial statements of the Corporation; and

(n) permitting utility suppliers to use portions of the Community Properties reasonably necessary to the ongoing development or operation of the Community.

Section 16. Management. The Board of Directors may employ for the Corporation a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the power to adopt budgets set forth in subparagraph (a) of Section 15, and the powers set forth in subparagraphs (b), (f), (g), and (i) of Section 15 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 17. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Corporation shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Corporation, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Corporation;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Corporation shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Corporation at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Members who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Assessments shall be considered to be delinquent on the fifteenth (15th) day following the due date unless otherwise determined by the Board of Directors); and

(g) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year:
(1) a balance sheet; (2) an operating (income) statement; and
(3) a statement of changes in financial position for the fiscal

year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, during the Class "B" Control Period, the annual report shall include certified financial statements.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members of the Corporation. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Corporation for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the Articles of Incorporation, during the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Community Properties without the written consent of Members representing at least fifty-one (51%) percent of the total Class "A" vote.

Section 19. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Corporation shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Corporation to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, both within and without the Community. Such agreements shall require the consent of two-thirds (2/3) of all directors of the Corporation.

The Corporation shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Section 20. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend any person's right to use the Community Properties for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided,

however, nothing herein shall authorize the Corporation or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant, guest or invitee of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Corporation. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Corporation within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Corporation, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Corporation by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 1. Officers. The officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4. Powers and Duties. The officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Corporation. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Corporation shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Corporation and shall conduct all hearings held pursuant to Article III, Section 20 of these By-Laws.

Article VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Corporation proceedings when not in conflict with Kansas law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Kansas law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Kansas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Corporation, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Corporation or at such other place within the Community as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Corporation and the physical properties owned or controlled by the Corporation. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Corporation.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to an Owner or occupant of a Unit, at the address which the Owner has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Owner or occupant; or

(b) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the registered office of the Member as registered with the Secretary of State; or

(b) if to the Corporation, the Board of Directors, or the managing agent, at the principal office of the Corporation or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Corporation or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibit "A" or in Article VIII, Section 1, of the Declaration for development as part of the Community, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five (75%) percent of the total Class "A" votes in the Corporation, and the consent of the Class "B" Member, so long as such membership exists. No Member's vote may be cast in favor of amendment unless approved by the vote of seventy-five (75%) percent of the board of directors of such Member. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Johnson County, Kansas.

If any officer of a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively

presumed that such officer has the authority so to consent on behalf of the Member and no contrary provision in the by-laws or articles of incorporation of the Member or in any Mortgage or contract between any Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

1929g -- 03/17/89


CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Cedar Creek Community Services Corporation, a Kansas corporation;

That the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof held on the 30th day of June, 1989.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 30th day of June, 1989.


Secretary
CRAIG EYMAN

1929g