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Document Title: First Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Trails of Park Ridge

Document Date: February 26, 2010

Grantor(s) Names: (a) Trails of Park Ridge, LLC, a Missouri limited liability company, and
(b) Larry & Kelly Zcjh, husband and wife

Grantor(s)' Statutory Address: (a) 3215 NE Carnegie, Suite 200, Lees Summit MO 64064, and
(b) 4145 NE Chapel Manor Drive, Lee's Summit, MO 64064

Grantee Names: Trails of Park Ridge

Grantee's Statutory Address: 3215 NE Carnegie Drive, Suite 200, Lee's Summit, Missouri 64064

Legal Description: See Exhibit A

Reference Book and Page: Terminates that document entitled Declaration of Covenants, Conditions and Restriction for Savanna Woods, and recorded in the Recorder's Office on May 31, 2007 as Document Number 2007E0072332;

Amends and restates that document entitled Declaration of Covenants, Conditions and Restriction for the Trails of Park Ridge, and recorded in the Recorder's Office on September 9, 2008 as Document Number 2008E0096618

**FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE
TRAILS OF PARK RIDGE**

TABLE OF CONTENTS

RECITALS	1
DECLARATION	2
ARTICLE ONE: DEFINITIONS	2
1.1 Additional Property.....	2
1.2 Annual Maintenance Assessment	2
1.3 ARB	2
1.4 Articles of Incorporation	2
1.5 Assessment or Assessments.....	2
1.6 Board of Directors	2
1.7 Builder.....	2
1.8 Bylaws.....	2
1.9 Capital Assessment.....	2
1.10 CID Act	3
1.11 City.....	3
1.12 Collector	3
1.13 Commercial.....	3
1.14 Common Area	3
1.16 Declarant	3
1.17 Declaration	3
1.18 District.....	3
1.19 District Documents	3
1.20 Easement	4
1.21 Effective Date.....	4
1.22 Fiscal Year.....	4
1.23 Limited Common Area.....	4
1.24 Member	4
1.25 Minor Plat	4
1.25 Motor Vehicle	4
1.26 Multi-Family Units	4
1.27 Obligations.....	4
1.28 Owner.....	4
1.29 Park Ridge Declaration.....	5
1.30 Passenger Motor Vehicle	5
1.32 Petition	5
1.33 Plan or Plans	5
1.34 Plat or Plats.....	5
1.34 Prior Declarations	5
1.35 Project	5
1.36 Property	5
1.37 Recorder's Office.....	5
1.38 Recreational Vehicle	5
1.39 Rule.....	6
1.40 Special Assessment Petitions	6

1.41	Sub-Association.....	6
1.42	Sub-Association Area.....	6
1.43	Sub-Association Assessments.....	6
1.44	Supplemental Declaration.....	6
1.45	Trailer.....	6
1.46	Trails of Park Ridge.....	6
1.47	Turnover Date.....	6
1.48	Unit.....	7
1.49	Utility Lines.....	7
1.50	Vehicle.....	7
1.51	Waiver.....	7
1.52	Watercraft.....	7

**ARTICLE TWO: TERMINATION OF PRIOR DECLARATIONS;
PROPERTY SUBJECT TO DECLARATION; UNIT
DESIGNATIONS AND DESCRIPTIONS; ANNEXATIONS OF
ADDITIONAL PROPERTY.....8**

2.1	Termination, Amendment and Restatement of Prior Declarations.....	8
2.2	Property Subjected to Declaration.....	8
2.3	Unit Designations and Descriptions.....	8
2.4	Annexations of Additional Property by Declarant.....	8
2.5	Annexations of Additional Property by Members.....	8
2.6	Supplemental Declarations.....	9

ARTICLE THREE: DISTRICT MEMBERSHIP.....9

3.1	Membership and Voting Rights in the District.....	9
3.2	One Class of Membership.....	9
3.3	Meetings of the District.....	9
3.4	Member Voting Rights.....	9
3.5	Transfer of Membership.....	10
3.6	District Books and Records.....	10
3.7	Successor Developer.....	10
3.8	Implied Rights and Obligations.....	10
3.9	Declarant's Voting Rights.....	10

ARTICLE FOUR: COMMON AREA AND FACILITIES.....10

4.1	Ownership.....	10
4.2	Common Area and Limited Common Area Maintenance.....	11
4.3	Permanency of Declaration.....	11
4.4	Common Area and Limited Common Area Liability.....	11
4.5	Common Area and Limited Common Area Insurance; Taxes.....	11
4.6	Enjoyment of Common Area.....	11
4.7	Enjoyment of Limited Common Area.....	11
4.8	Common Area and Limited Common Area Disrepair.....	11
4.9	Storm Water Detention Maintenance.....	11
4.10	Third-Party Beneficiary.....	12
4.11	Designation of Common Area or Limited Common Area.....	12

ARTICLE FIVE: ASSESSMENTS.....	12
5.1 Obligation for Assessments	12
5.2 Budget	12
5.3 Maximum Capital Assessment and Annual Maintenance Assessment.....	13
5.4 Uniform Rates	13
5.5 Date of Commencement of Annual Assessments; Due Date.....	13
5.6 Duties of the Board of Directors with Respect to Assessments	13
5.7 Effect of Non-Payment of Assessments; Lien; Remedies; Maintenance and Enforcement of Liens for Assessments	14
5.8 Property Exempt from Assessments	15
5.9 Easements.....	15
5.10 Sub-Association Assessments.....	15
ARTICLE SIX: INSURANCE.....	16
6.1 Casualty Insurance	16
6.2 Liability Insurance	16
6.3 Worker’s Compensation	16
6.4 Fidelity Insurance.....	16
6.5 Other Insurance.....	16
ARTICLE SEVEN: MANAGEMENT, MAINTENANCE, REPAIRS, ALTERATIONS AND IMPROVEMENTS	16
7.1 Manager or Managing Agent	16
7.2 The District’s Responsibilities	17
7.3 The Owners’ Responsibilities	17
7.4 The Declarant’s Responsibilities	17
7.5 Improvements and Alterations	17
ARTICLE EIGHT: ARCHITECTURAL CONTROL	18
8.1 Architectural Review Board.....	18
8.2 Purpose.....	18
8.3 Conditions	19
ARTICLE NINE: EASEMENTS	19
9.1 Utility Easements.....	19
9.2 Easement in Gross	19
9.3 Easement for Ingress and Egress.....	20
9.4 Easement for the District	20
ARTICLE TEN: USE RESTRICTIONS.....	20
10.1 Single-Family Residences.....	20
10.2 Other Structures.....	20
10.3 Signs.....	21
10.4 Unsightly, Unsanitary or Unkempt Conditions	21
10.5 Woodpiles, Outdoor Clothes Lines, Antennas, Etc.	21
10.6 Storage.....	22
10.7 Animals Kept as Pets	22
10.8 Adverse Acts	22
10.9 Vehicles – Parking and Storage	22

10.10	Additional Restrictions Regarding Vehicle Repairs and Inoperable Vehicles.....	22
10.11	Planting and Gardening.....	23
10.12	Sound Devices.....	23
10.13	Illumination.....	23
10.14	Garage Sales.....	23
10.15	Insurance Risks.....	23
10.16	Common Area Uses.....	23
10.17	Exception From Use Restrictions.....	23
10.18	District's Standards.....	24
10.19	Occupants and Permitted Tenants.....	24
ARTICLE ELEVEN: GENERAL PROVISIONS		24
11.1	Amendment.....	24
11.2	Amendment by Declarant.....	24
11.3	Articles Two, Three, Five and Eleven of this Declaration May Not Be Amended.....	24
11.4	Amendment by Owners.....	24
11.5	Enforcement.....	25
11.6	Severability.....	25
11.7	Notices.....	25
11.8	Captions.....	25
11.9	Limitation of Liability.....	25
11.10	Successors of Declarant.....	25
11.11	Priority in Event of Conflicts.....	26
11.12	Miscellaneous Expenses.....	26

**FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE TRAILS OF PARK RIDGE**

This Declaration is made on the Effective Date, by Trails of Park Ridge, LLC, a Missouri limited liability company, with a notice and mailing address of 3215 NE Carnegie, Suite 200, Lees Summit MO 64064; and Larry & Kelly Zeih, husband and wife, with a notice and mailing address of 4145 NE Chapel Manor Drive, Lee's Summit, MO 64064.

RECITALS

A. Declarant and the Current Unit Owner own 100% of the Property located in Jackson County, Missouri, in the City of Lee's Summit, Missouri, which is more particularly described in Exhibit A to this Declaration.

B. The development of the Property has been, and will be, as a planned residential development, which will consist of fully maintained townhome type Multi-Family Units together with related limited common areas exclusive to either a single Unit or to multiple Units, common areas, facilities and elements.

C. Declarant also owns property adjacent to the Property, which is being developed as the Park Ridge Subdivision and which is subject to the Park Ridge Declaration.

D. Declarant will convey the Units to each successor Owner subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

E. Declarant imposes these covenants, conditions, restrictions, easements, assessments, charges and liens, as hereinafter set forth, for the benefit of Declarant, and the Owners and their successors and assigns, as covenants running with the land, to protect, preserve and enhance the property value of the Property.

F. In furtherance of the Project, the Prior Declarations had been recorded with the Recorder's Office in order to protect, preserve and enhance the property value of the Property.

G. The Current Unit Owner, and the Declarant, desire to terminate, amend and restate, as applicable, the Prior Declarations by the execution of these Declarations.

H. The Current Unit Owner, and the Declarant, desire that all of the Property be encumbered by these Declarations as of the Effective Date.

I. Each Owner, at the time of purchase, shall be furnished with a copy of this Declaration.

NOW, THEREFORE, Declarant and the Current Unit Owners hereby make this Declaration on the terms and conditions set forth herein below.

DECLARATION

ARTICLE ONE DEFINITIONS

The following words, when used in this Declaration or any Supplemental Declaration (unless otherwise defined in such Supplemental Declaration), shall have the following meanings:

1.1. "Additional Property" means any additional real property that is subjected to the covenants, conditions, restrictions and easements of this Declaration by a Supplemental Declaration under the provisions of Sections 2.2 or 2.3 of Article Two.

1.2. "Annual Maintenance Assessment" means that Assessment levied by the District pursuant to a Special Assessment Petition submitted by the Owners to the Board of Directors pursuant to the CID Act, which levy amount is to be determined annually by the Board of Directors and assessed against each assessable Unit as provided for in Article Five of this Declaration.

1.3. "ARB" means the Architectural Review Board described in Article Eight of this Declaration.

1.4. "Articles of Incorporation" means the District's Articles of Incorporation filed with the Missouri Secretary of State on September 16, 2005.

1.5. "Assessment or Assessments" means, individually, either the Annual Maintenance Assessment or the Capital Assessment, and collectively, all Capital Assessments, Annual Maintenance Assessments and any additional special assessments levied by the Board of Directors or any applicable Sub-Association's board of directors either pursuant to the CID Act or any other provision of Missouri law, that may be assessed against a Unit.

1.6. "Board of Directors" shall be the governing body of the District elected pursuant to the Articles of Incorporation, the Bylaws and Chapter 355 of the Revised Statutes of Missouri pertaining to not-for-profit corporations.

1.7. "Builder" means any person or entity who purchases a portion of the Property from the Declarant with the right, or subject to the obligation, to construct one (1) or more Units thereon. Declarant shall be deemed a Builder with respect to any Unit upon which Declarant undertakes the construction of a Unit.

1.8. "Bylaws" means the District's Bylaws adopted in accordance with the Articles of Incorporation.

1.9. "Capital Assessment" means that Assessment levied by the District pursuant to a Special Assessment Petition submitted by the Owners to the Board of Directors pursuant to the CID

Act, which levy amount is to be determined annually by the Board of Directors and assessed against each assessable Unit as provided for in Article Five of this Declaration.

1.10. "CID Act" means the Community Improvement District Act, as set out in Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, and any subsequent amendments.

1.11. "City" means the City of Lee's Summit, Jackson County, Missouri.

1.12. "Collector" means the office of the Jackson County, Missouri Collections Department in Independence, Missouri.

1.13. "Commercial" means, with respect to Vehicles, being used for the carrying of freight or merchandise in the regular course of business; regularly advertising the name of a commercial business; and/or regularly used for responding to calls for service in the regular course of business.

1.14. "Common Area" means, collectively, all portions of the Property not constituting a Unit and not constituting Limited Common Area, but instead, including but not limited to, common stairs and halls, common sidewalks, common driveways, the roof, balconies, patios, yards, fences, walls, exterior glass, lighting, Utility Lines on the exterior of a Unit, landscaping installed by Declarant in the public right-of-way, and common utility systems, together with all improvements located thereon, including, but not limited to, all private alleys and private lanes, any clubhouse and swimming pool, any mail center, all monument signs and entranceways, any exercise paths in the Common Area, along with any ponds, streams, waterfalls and other watercourse-related improvements.

1.15. "Current Unit Owner" means Larry & Kelly Zeih, husband and wife, along with the foregoing's successors and assigns, being all of the Owners of a Unit on the Effective Date.

1.16. "Declarant" means Trails of Park Ridge, LLC, a Missouri limited liability company, along with its successors and assigns, being the Owner of all remaining Property not owned by the Current Unit Owner as of the Effective Date.

1.17. "Declaration" means this first amended and restated declaration of covenants, conditions, restrictions and easements.

1.18. "District" means the Park Ridge Community Improvement District formed pursuant to the Petition, which District shall not be dissolved without the consent of the City, unless the maintenance responsibilities set forth herein are assigned, with the consent of the City, to a person or entity with the financial, legal and administrative ability to perform such obligations.

1.19. "District Documents" means the Articles of Incorporation, Bylaws, this Declaration, any Supplemental Declarations, the Petition, the CID Act, any District resolutions and/or any other document applicable to the District's powers, rights, duties or obligations.

1.20. "Easement" means the easement in gross upon, across, over and under all of the Property, except for the Units, reserved by the Declarant and which is to be automatically assigned to the District on the Turnover Date without any further action required of the Declarant or of the District.

1.21. "Effective Date" means February 26, 2010.

1.22. "Fiscal Year" means the fiscal year of the District, that being July 1 through June 30 of each year.

1.23. "Limited Common Area" means that area which may or may not be designated on any Plat or Plan, which is designed to serve and be reserved for the exclusive use of any one or more, but less than all, of the Units to the exclusion of all other Units, including but not limited to (i) any portion of a chute, flue, wire, conduit, bearing wall, bearing column, or any other fixture that lies partially within and partially outside the Unit but is serving one or more but less than all of the Units, and (ii) any balconies, driveways, porches, patios or entry courts along with all exterior doors, windows, walls or other fixtures designed to serve a single Unit, but located outside the boundaries of the Unit. Provided, however, that the Board of Directors may designate any portion of the Property not designated as a Unit on any Plat to be Common Area or Limited Common Area, in its sole discretion.

1.24. "Member" means each member of the District as determined by (i) the terms of this Declaration and (ii) the terms of the Park Ridge Declarations, as amended from time to time.

1.25. "Minor Plat" means Minor Plat, The Trails of Park Ridge, Block 3A, Bldgs 1-3, a replat of Block 3, Trails of Park Ridge – 1st Plat, Lee's Summit, Jackson County, Missouri and recorded the Recorder's Office on May 26, 2009, as Document Number 2009E0050710.

1.26. "Motor Vehicle" means any self-propelled Vehicle, including, but not limited to, automobiles, sport utility vehicles, trucks, Recreational Vehicles, motorcycles, scooters, all-terrain vehicles, stock cars, dune buggies and drag cars.

1.27. "Multi-Family Units" means townhome structures of differing design and occupancy which are to be constructed on the Property and within which individual Units are located.

1.28. "Obligations" mean any financing obtained by the District in any form authorized under the CID Act to fund (as defined in the Petition): (1) the costs of the Eligible Services, (2) the costs of the Public Improvements, (3) other costs incurred by the District to carry out any of its purposes as stated in the District Documents, (4) the costs associated with the issuance of any bonds, notes or other debt including, but not limited to: (a) capitalized interest and (b) debt service reserves;

1.29. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to a Unit, and includes such Owner's family members. The term "Owner" does not

include the City or any mortgagee unless and until such mortgagee has acquired fee simple title to such Unit pursuant to foreclosure or a proceeding in lieu of foreclosure.

1.30. "Park Ridge Declaration" means the Declaration of Covenants, Conditions and Restrictions for the Park Ridge Community Improvement District, filed of record on June 22, 2006, in the Recorder's Office under Instrument Number 2006E0046881.

1.31. "Passenger Motor Vehicle" means any non-Commercial Motor Vehicle, except Recreational Vehicles.

1.32. "Petition" collectively means (i) the Petition to Establish the Park Ridge Community Improvement District approved by the City on July 6, 2006 through Ordinance No. 6215, and (ii) the Petition to Expand the Boundaries of the Park Ridge Community Improvement District approved by the City on September 6, 2007, through Ordinance No. 6473.

1.33. "Plan or Plans" shall include, but not be limited to, any building, design or construction plan(s) related to any structure located within the Trails of Park Ridge.

1.34. "Plat or Plats" individually means a single recorded minor or final subdivision plat for the Trails of Park Ridge as it may be amended or modified from time to time, and collectively means all minor or final subdivision plats recorded for the Trails of Park Ridge as amended from time to time.

1.35. "Prior Declarations" means (i) that document entitled Declaration of Covenants, Conditions and Restriction for Savanna Woods, and recorded in the Recorder's Office on May 31, 2007 as Document Number 2007E0072332; and (ii) that document entitled Declaration of Covenants, Conditions and Restriction for the Trails of Park Ridge, and recorded in the Recorder's Office on September 9, 2008 as Document Number 2008E0096618.

1.36. "Project" means and includes the land, Multi-Family Units and all improvements thereon, and all rights, easements and appurtenances belonging thereto, as legally described on Exhibit A, together with all such land, Multi-Family Units and improvements added thereto, pursuant to the terms of this Declaration

1.37. "Property" means, collectively, the real property described in Exhibit A, and such Additional Property as may hereafter be subjected to this Declaration by the filing of one (1) or more Supplemental Declarations, including any improvements now or hereafter constructed on the Property.

1.38. "Recorder's Office" means the Office of the Jackson County Recorder of Deeds Department in Independence, Missouri.

1.39. "Recreational Vehicle" means any Vehicle designed, constructed or substantially modified so that it may be used for the purposes of temporary housing quarters, including sleeping and/or eating facilities that are permanently attached to the Vehicle or attached to a unit that is securely attached to the Vehicle.

1.40. “Rule” shall mean 47 C.F.R. § 1.4000, the Federal Communication’s Over-the-Air Reception Devices Rule, including any and all subsequent interpretations of the Rule by properly authorized reviewing bodies or applicable courts of law.

1.41. “Special Assessment Pctitions” mean any and all petitions for the Assessments presented by a majority of the Owners to the Board of Directors in accordance with the CID Act and subsequently approved by the Board of Directors pursuant to a District resolution.

1.42. “Sub-Association” means a separate not-for-profit corporation formed by the Declarant or Owners of Units within a Sub-Association Area, with the approval of the Board of Directors, in order to provide maintenance, capital improvements and other services within a Sub-Association Area.

1.43. “Sub-Association Area” means the portion of the Property within which a Sub-Association imposes Sub-Association Assessments and provides services.

1.44. “Sub-Association Assessments” means annual assessments imposed by a Sub-Association pursuant to contractual authority derived from the covenants, conditions and restrictions governing such Sub-Association.

1.45. “Supplemental Declaration” means any supplementary declaration subjecting Additional Property to this Declaration and such additional covenants, conditions, restrictions and easements relating to the Additional Property set out in the Supplemental Declaration.

1.46. “Trailer” means any Vehicle without motorized power designed for carrying property or passengers on its own structure and for being drawn by a self-propelled Vehicle, including a semi trailer or Vehicle of the trailer type so designated and used in conjunction with a self-propelled Vehicle that a considerable part of trailer’s own weight rests upon and is carried by the towing Vehicle.

1.47. “Trails of Park Ridge” means the subdivision located in Lee’s Summit, Jackson County, Missouri known as the Trails of Park Ridge.

1.48. “Turnover Date” means the earlier of: (a) December 31, 2027; (b) the build-out and sale of one hundred percent (100%) of the Units, other than those Units designated on any Plat or Plats as Common Area, located within the District; or (c) the date the Declarant, in the Declarant’s sole and absolute discretion, selects as a Turnover Date for the Property then encumbered by this Declaration.

1.49. “Unit” means all parts of the Project designated for ownership by the Owners as shown on the Plat. Currently platted is the Minor Plat consisting of Block 3A: Building 1, Units A and B; Building 2, Units A, B, C and D; and Building 3, Units A, B, C and D. Individual Units consists of not only the space within one of the 10 platted residential dwelling units, but also all the land below and the air-space above each particular residential unit subject to the further definition below. In particular, the boundaries and parts of each Unit are as follows:

- 1.49.1. Vertical Boundaries. The exterior surface of the perimeter walls bounding each Multi-Family Unit, along with the centerline of each common wall of the individual Units within each Multi-Family Unit, shall constitute the vertical boundaries of each Unit as shown on the Plat. The vertical boundaries of each Unit shall include an imaginary and indefinite extension of the exterior surface of the perimeter walls bounding each Multi-Family Unit and the centerline of the common walls of the individual Units within each Multi-Family Unit, on the same geometric plane, down below and up above each Multi-Family Unit and individual Unit. The vertical boundaries shall possess no dimension of thickness or width.
- 1.49.2. Horizontal Boundaries. The Units shall not have horizontal boundaries so that all land below and all air-space above each Unit within the vertical boundaries of said Unit is included as part of said Unit subject to any limitations on ownership of air space imposed by applicable law and further subject to all building height restrictions set forth in the approved Ordinances of Lee’s Summit, Missouri.
- 1.49.3. Interior. All spaces, interior partitions and other fixtures and improvements located entirely within the Vertical Boundaries of the Unit are part of that Unit; provided however, that all Common Area and Limited Common Area, even if located entirely within the boundaries of a Unit, shall be excluded from and not be a part of any Unit

1.50. “Utility Lines” means lines, pipes, conduits and other utility facilities installed by the Declarant for the purpose of providing sewer, electricity, gas, water and telephone services to the Units and Common Areas.

1.51. “Vehicle” means any mechanical device on wheels.

1.52. “Waiver” means a design guideline waiver.

1.53. “Watercraft” means any device without wheels designed for or capable of being used on water, propelled either by mechanical means or wind, including, but not limited to, wave runners, jet skis, speed boats, fishing boats, yachts and sailboats.

ARTICLE TWO
TERMINATION OF PRIOR DECLARATIONS; PROPERTY SUBJECT
TO DECLARATION; UNIT DESIGNATIONS AND DESCRIPTIONS;
ANNEXATIONS OF ADDITIONAL PROPERTY

2.1. Termination, Amendment and Restatement of Prior Declarations. By their execution and recording of this Declaration, Declarant and Current Unit Owner hereby terminate, amend and restate, as applicable the Prior Declarations.

2.2. Property Subjected to Declaration. Declarant and Current Unit Owner hereby declare that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges and liens hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These easements, covenants, restrictions, conditions, assessments, charges and liens shall run with the Property, shall be binding upon all parties having or acquiring any right, title or interest in the Property and shall inure to the benefit of each and every Owner.

2.3. Unit Designations and Descriptions.

2.3.1 Recording of Minor Plat. The Minor Plat has been recorded prior to the recording of this Declaration, and prior to the first conveyance of a Unit to the Current Unit Owner. These Declarations apply to the Minor Plat and any future Plat.

2.3.2 Indivisible Units. Each Unit may only be conveyed or encumbered as a whole and may not be divided for any purpose. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of less than a whole Unit is void.

2.3.3 Description. Every deed, lease, mortgage, trust deed or other instrument may legally describe a Unit by its identifying Unit number as shown on the Plat, followed by reference to the Plat. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the Unit and all rights, obligations and interests appurtenant to that Unit which are created by this Declaration and the District Documents.

2.4. Annexations of Additional Property by Declarant. Declarant reserves the unilateral right to annex and subject all or any portion of any adjacent Additional Property, and any improvements now or hereafter situated on such Additional Property, to all the terms and provisions of this Declaration by filing one or more Supplemental Declarations in the Recorder's Office. Any such Supplemental Declaration shall not require the consent of any Member. Declarant shall be entitled to unilaterally file such Supplemental Declaration at any time before the Declarant's membership terminates on the Turnover Date.

2.5. Annexations of Additional Property by Members. From and after the time the Declarant's membership terminates, Additional Property may be annexed and subjected to this Declaration by the affirmative vote of at least sixty-seven percent (67%) of all votes cast by the Members present at a meeting of the Members duly called for this purpose (written notice of which

was sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting) and the filing of a Supplemental Declaration in the Recorder's Office.

2.6. Supplemental Declarations. Any Supplemental Declaration shall be effective upon its filing in the Recorder's Office, unless otherwise provided therein. Said Supplemental Declaration may contain such additional covenants, conditions, restrictions and easements applicable solely to the Additional Property as the Declarant or the Members, as applicable, may determine to be necessary or desirable. In no event, however, shall such Supplemental Declaration modify or add to the covenants, conditions or restrictions established by this Declaration relating to the Property described on Exhibit A unless this Declaration is amended pursuant to Article Eleven.

ARTICLE THREE **DISTRICT MEMBERSHIP**

3.1. Membership and Voting Rights in the District. The Owner of each Unit, including the Current Unit Owner, shall be a Member. Prior to the Turnover Date, the Declarant shall also be a Member. If one or more individuals, or entities, enjoys ownership of a Unit, for District membership purposes, the Member representing the Unit shall be deemed the collective entirety of the individuals or entities so that each Unit shall be represented in the District by only one (1) Member and represented in the District with only one (1) vote, except however, such limitation shall not extend to the Declarant's voting rights, which are not tied to Unit ownership, and which Declarant voting rights are provided for herein. The Board of Directors shall be the final arbiter of any dispute related to Member voting rights.

3.2. One Class of Membership. There shall be one (1) class of Members consisting of the Declarant and all Owners. However, as stated herein, the voting rights of the Declarant shall be independent of the voting rights of the Owners.

3.3. Meetings of the District. Annual and special meetings of the Members shall be called, noticed, held and conducted in such manner as stated in the Bylaws, or in the absence of any relevant provision in the Bylaws, as provided for in the CID Act and Chapter 355 of the Revised Statutes of Missouri.

3.4. Member Voting Rights. Except as otherwise provided herein, all Members shall be entitled to vote on District matters requiring a vote under this Declaration, the Bylaws, or any District procedural rule at a regular District meeting or a special District meeting called for that purpose. In addition, except as otherwise provided herein, on all matters to be voted on by the Members, each Member shall have one (1) vote for each Unit owned. If more than one Owner exists for any Unit, the vote for such Unit shall be exercised as the Owners determine among themselves and as they notify the District secretary in writing. Proxy voting is prohibited. Unless specifically provided for herein to the contrary, all matters requiring a vote of the Members pursuant to this Declaration shall be approved by a simple majority of the votes present at an annual or special meeting duly called in which a quorum is present. A quorum shall be the presence, in person, at an annual meeting or special meeting called for a particular purpose, of ten percent (10%) of the votes entitled to be cast at such meeting.

3.5. Transfer of Membership. Except as provided for herein, membership, and voting rights applicable to that membership, are appurtenant to and may not be separated from Ownership of any Unit. Upon the sale of any Unit, the membership associated with the Unit shall automatically transfer to the purchaser of the Unit.

3.6. District Books and Records. During normal business hours or under other reasonable circumstances, and upon written request by the Members, the District shall make available for inspection to the Members current copies of the District Documents including applicable books, records and financial statements. A reasonable fee may be charged for the copying of any requested documents.

3.7. Successor Developer. On the Turnover Date, the District shall succeed to all of the duties and responsibilities of the Declarant under this Declaration. The District shall not, however, succeed to any easements or rights of the Declarant, or any rights pertaining to any other real property adjacent to the Property and owned by the Declarant, unless such right is otherwise reserved to the District within the District's documents.

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

3.9. Declarant's Voting Rights. Notwithstanding any provision in this Declaration to the contrary, until the Turnover Date the Declarant shall maintain absolute, complete and exclusive control over the District and over the ARB including, but not limited to, the appointment, election and removal of any and all ARB members, or any District directors and officers. Specifically, until the Turnover Date, only the Declarant is authorized to take part in any election of ARB members, of any District directors and officers or of any other District matter. Additionally, until such time as a Unit is initially created within the Property encumbered by these Declarations (by Plat, certificate of survey or otherwise) the Declarant shall possess ten (10) votes. From the time a Unit is created until the Turnover Date, the Declarant shall have such number of votes as shall equal the product of the total number of votes held by all Members multiplied by three (3). The Declarant, in the Declarant's sole discretion, may at any time prior to the Turnover Date delegate or relinquish any portion of the Declarant's control pursuant to this Declaration.

ARTICLE FOUR **COMMON AREA AND FACILITIES**

4.1. Ownership. Upon the recording of a Plat, the District shall automatically own any portion of the Property not designated of a Plat, or defined in this Declaration, as a Unit; provided however such transfer of property shall be memorialized pursuant to a quitclaim deed properly recorded with the Recorder's Office, which transfer may take place at any time prior to the Turnover Date, in the Declarant's sole discretion.

4.2. Common Area and Limited Common Area Maintenance. The District shall own, manage, repair, maintain, replace, improve and operate the Common Area and Limited Common Area and keep it, and all improvements thereon, in good condition.

4.3. Permanency of Declaration. This Declaration pertaining to the Common Area and the Limited Common Area shall be permanent.

4.4. Common Area and Limited Common Area Liability. All Owners are liable for the costs of maintenance of the Common Area and the Limited Common Area and the costs of such maintenance shall be assessed against the Owners in accordance with the Special Assessment Petitions and the District Documents.

4.5. Common Area and Limited Common Area Insurance; Taxes. The District shall provide liability insurance for the Common Area and Limited Common Area and shall pay all Common Area and Limited Common Area taxes.

4.6. Enjoyment of Common Area. Each Owner shall have a right and easement for ingress to, egress from, and the right of use and enjoyment of the Common Area, which shall be appurtenant to, inseparable from and shall pass with the title to each Unit. Each Owner may use the Common Area, subject to reasonable rules and regulations adopted by the Board of Directors, in accordance with the purpose for which the Common Area is intended, but without hindering or encroaching upon the lawful rights of other Owners.

4.7. Enjoyment of Limited Common Area. Each Owner with an exclusive right to any specific Limited Common Area shall have a right and easement for ingress to, and egress from, and the right of use and enjoyment to such specific Limited Common Area, which shall be appurtenant to, inseparable from and shall pass with title to each specific Unit to which such Limited Common Area is attached, to the exclusion of all other Unit Owners without such exclusive right.

4.8. Common Area and Limited Common Area Disrepair. In the event that any condition of the Common Area or Limited Common Area is determined to be a nuisance or in disrepair in violation of any provision of the Lee's Summit Property Maintenance Code, and such disrepair or nuisance is abated pursuant to procedures otherwise provided in the Property Maintenance Code, the costs to abate the nuisance created by the failure to maintain the Common Area or Limited Common Area shall be assessed proportionally against the individual Units within Trails of Park Ridge, in an equal amount per individual Unit, pursuant to the tax bill provisions of the Property Maintenance Code, and the amount caused by the Finance Director to be assessed annually by tax bill shall not exceed five percent (5%) of assessed valuation per individual Unit.

4.9. Storm Water Detention Maintenance. In the event it is determined that the maintenance of any storm water conveyance, retention or detention facility located on the Common Area fails to meet any standard set forth in any Plat or Plats, and such failure is abated by the City pursuant to the procedures of the City's public works division, upon completion of the work and certification by the Director of Public Works that the deficiency has been abated, the Director of Public Works shall certify all costs of such abatement, including enforcement costs and expenses of staff time incurred in the remediation of the deficiency, to the City's Director of Finance who shall

cause a special tax bill therefore, or add the costs thereof to the annual real estate tax bill, at the Finance Director's option, proportionally against the individual Units within Trails of Park Ridge, in an equal amount per individual Unit, the amount caused by the Finance Director to be assessed annually by tax bill shall not exceed five percent (5%) of assessed valuation per individual Unit, the tax bill from the date of its issuance shall be a first on the Property until paid and shall be prima facie evidence of the recitals therein and of its validity and no mere clerical error or informality in the same, or in the proceedings leading up to the issuance shall be a defense thereto, each special tax bill shall be issued by the City Clerk and delivered to the City Finance Director on or before the first day of June of each year, and such tax bill, if not paid when due, shall bear interest at the rate of eight percent (8%).

4.10. Third-Party Beneficiary. The City shall be a third-party beneficiary of all provisions herein pertaining to the assessment of costs for maintenance of storm water conveyance, retention, or detention facilities on the Common Area, and such provisions shall not be modified or amended without the written consent of the City

4.11. Designation of Common Area or Limited Common Area. So long as the Declarant owns any portion of the Property or any Unit within the Trails of Park Ridge, the Declarant shall have the unilateral right to declare any part of the Property then owned by the Declarant as Common Area or Limited Common Area, so long as such action does not conflict with the terms of this Declaration or any Supplemental Declaration.

ARTICLE FIVE **ASSESSMENTS**

5.1. Obligation for Assessments. Each Owner, by acceptance of the deed for such Owner's Unit, and regardless of whether it shall be so expressed in any such deed, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the District or its nominee the:

5.1.1. Capital Assessment;

5.1.2. Annual Maintenance Assessment; and

5.1.3. Any additional Assessments levied by the Board of Directors or any applicable Sub-Association's board of directors either pursuant to the CID Act or pursuant to any other provision of Missouri law.

5.2. Budget. On or before June 1 of each calendar year of the District's existence, the Board of Directors shall hold its annual meeting and adopt a budget for the upcoming Fiscal Year. The budget shall contain the estimated costs of retiring any portion of any outstanding District Obligations, maintaining the Common Area and the Limited Common Area and otherwise carrying out all of the District's purposes established under this Declaration, the Petition and the CID Act. At least ninety (90) days prior to the end of the Fiscal Year, each Sub-Association's board of directors shall submit a proposed budget containing, at a minimum, the Sub-Association's expected assessments and expenditures for the upcoming Fiscal Year to the Board of Directors so that the Board of Directors can include such Sub-Association's budget in the overall District budget,

provided however any Sub-Association board may, in its discretion provide the Board of Directors with the authority to prepare the Sub-Association's budget. Prior to the adoption of the District's budget, and in accordance with the CID Act, the Board of Directors shall submit the District's proposed budget to the City's governing body for review and comment. This submittal to the City must occur no earlier than January 1 of each year but no later than April 1 of each year. The Assessments for each assessable Unit for the upcoming Fiscal Year shall be established by resolution of the Board of Directors on the basis of the adopted budget.

5.3. Maximum Capital Assessment and Annual Maintenance Assessment. The maximum Capital Assessment and maximum Annual Maintenance Assessment shall be calculated in accordance with each respective Special Assessment Petition submitted to the Board of Directors in accordance with the CID Act.

5.4. Uniform Rates. Capital Assessments and Annual Maintenance Assessments shall be fixed at a uniform rate for all assessable Units receiving similar benefits. However, the District, pursuant to the Petition and a determination by the Board of Directors by resolution, may, levy different Capital Assessments and Annual Maintenance Assessments for assessable Units based upon the level of benefit derived by each specific Unit. In addition, the Assessments under this Declaration may be different from the Assessments levied pursuant to the Park Ridge Declaration.

5.5. Date of Commencement of Annual Assessments; Due Date. The Assessments shall commence as to all assessable Units upon the Board of Director's approval of a District resolution levying the annual Special Assessments against the Property. All Assessments shall be collected by the County Collector in the manner provided within the CID Act. Upon the Closing of the conveyance of a Unit to an Owner other than the Declarant, any Assessments currently due and owing shall be prepaid and collected in accordance with the requirements of this Declaration. Provided however, the Board of Directors may, in its sole discretion, provide for any alternative collection procedures deemed to be in District's best interest, and not in violation of the CID Act. The Assessments shall be payable in full to the District without demand or set-off on an annual basis, provided however, the Board of Directors may request that the Collector conduct a special billing at the District's expense when the Board of Directors has found, in their sole discretion and pursuant to a District resolution, that a special billing is in the District's best interests.

5.6. Duties of the Board of Directors with Respect to Assessments.

5.6.1. Written notice of each Fiscal Year's Assessments shall be given to each Owner by June 1 of the preceding Fiscal Year.

5.6.2. The Board of Directors shall give notice to any Owner who becomes subject to an Assessment subsequent to July 1 of any Fiscal Year by acquiring an assessable Unit, and such Owner shall pay the applicable Assessment on a pro rata basis commencing on the date upon which the deed conveying title to such Unit was delivered. Unless the Owner takes title to a Unit from the Declarant, however, the lien of the unpaid portion of the Assessment shall attach to the Unit until the Assessment is paid in full.

- 5.6.3. The Board of Directors shall, upon request, furnish to any Owner liable for any Assessment, a certificate in writing and in recordable form, setting forth whether all Assessments (together with all applicable fees and charges) have been paid to date. The Board of Directors may make a reasonable charge for the issuance of such certificate. Such certificate may be recorded in the Recorder's Office and, upon recording, shall constitute conclusive evidence of the status of payment of any Assessment for the period stated in the certificate.

5.7. Effect of Non-Payment of Assessments; Lien; Remedies; Maintenance and Enforcement of Liens for Assessments.

- 5.7.1. The Collector shall collect and remit all Assessments to the District, as provided in Section 67.1541 of the CID Act. In the event the District elects to act as the collector of Assessments, the District, if required by the Collector, will enter into an intergovernmental cooperative agreement with the Collector pursuant to Section 70.220, RSMo, for that purpose. In such event that an intergovernmental cooperative agreement is executed by the Collector and the District, the terms of such agreement will control. Should the Collector deem it unnecessary to execute an intergovernmental cooperative agreement for the collection of Assessments, the District shall collect such Assessments in accordance with the decisions of the Board of Directors, in its sole discretion.
- 5.7.2. If the Assessments, or any part thereof, are not paid when due, the unpaid amount of such Assessment shall be deemed delinquent and shall thereupon be a perpetual lien on the Unit against which the Assessment was made. Such lien will take priority as of the date of recording this Declaration and, unless otherwise specifically stated herein, will be superior to any other liens hereafter placed on said Unit; provided however, that such lien is hereby subordinated to and shall be inferior to any valid first mortgage now existing or which may hereafter encumber said Unit. If an Owner fails to pay any portion of the Assessments when due, the Assessments will be declared delinquent and payment of principal, late charges, interest at a rate of eighteen percent (18%) per annum, collection costs, costs of suit and reasonable attorneys' fees may be enforced as a lien on the Unit against which it is levied in proceedings in any court in Jackson County, Missouri, having jurisdiction over suits for the enforcement of such liens as provided for in Section 88.861, RSMo. Additionally, the District may proceed against any Owner or Owners, jointly or severally, failing to pay any portion of the Assessments when due and shall be entitled to seek all remedies available under law and in equity.
- 5.7.3. The District must bring all suits to enforce the lien of Assessments or otherwise collect unpaid Assessments; provided however, the Board of

Directors may assign such right of collection when the Board of Directors has found, in their sole discretion and pursuant to a District resolution that an assignment of the District's collection rights is in the District's best interests. The District may, at its discretion, file certificates of nonpayment of Assessments, or similar documents, in the Board of Director's sole discretion, in the Recorder's Office whenever payment of any such Assessments is delinquent. For each certificate so filed, the District will be entitled to collect from the Owner or Owners of the Unit against which the certificate is filed, a fee as established from time to time by the District, which fee shall be secured by the lien. Said fee will be collectible in the same manner as the original Assessments and will be in addition to any principal, late charges, interest at a rate of eighteen percent (18%) per annum, collection costs, costs of suit and reasonable attorneys' fees due on such Assessments. The District may terminate or suspend any services provided to an Owner of a Unit, including such Unit Owner's exclusive right to Limited Common Area, if and so long as the Owner fails to pay any Assessments.

- 5.7.4. All payments received shall be applied first to costs, then to late charges, if any, then to interest, if any, then to delinquent Assessments, then to any unpaid installments of Assessments, if any, in the order of their coming due, whether or not such installments are the subject matter of any actions to enforce a lien.

5.8. Property Exempt from Assessments. All portions of the Property dedicated to and accepted by any municipality or public utility for public use or purposes, all portions of the Property exempt from taxation as set forth in Section 137.100(5), RSMo (unless the tax-exempt entity elects to voluntarily participate in the Assessments) and, except as otherwise expressly provided in this Declaration, all portions of the Property owned by the Declarant or the District are wholly exempt from the Assessments and liens created hereby.

5.9. Easements. Any foreclosure of a lien securing any one, or all, of the Assessments shall not terminate any easement granted by the Declarant, whether pursuant to this Declaration or otherwise, and all such Assessments shall be inferior and subordinate to such easements.

5.10. Sub-Association Assessments. The Declarant or the Owners of real property or Units within a Sub-Association Area may form a Sub-Association by incorporating a not-for-profit corporation and filing a declaration of covenants, conditions and restrictions, with the prior approval of the Board of Directors. To the extent authorized by the applicable declaration of covenants, conditions and restrictions, a Sub-Association may impose Sub-Association Assessments against Units within the Sub-Association Area. Such Sub-Association Assessments shall be collected, administered and expended by the District pursuant to contractual authority derived from the covenants, conditions and restrictions governing such Sub-Association. Provided however, the District may, in the Board of Director's sole discretion, allow such Sub-Association to collect and expend its Sub-Association Assessments without District interference, oversight or approval.

ARTICLE SIX
INSURANCE

The Board of Directors shall obtain and maintain, to the extent reasonably available at a reasonable cost, the following insurance:

6.1. Casualty Insurance. Casualty insurance naming the District as insured for the benefit of the Owners in an amount equal to the full replacement value (*i.e.*, one hundred percent (100%) of "replacement cost" exclusive of land, foundation and excavation) of all improvements within the Project not constituting a Unit, improvements located upon the Common Area and Limited Common Area and improvements owned by the District.

6.2. Liability Insurance. Public liability insurance, in such amounts and in such forms as may be considered appropriate by the Board of Directors, including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, liability for property of others, and any and all other liability incident to the use of all improvements within the Project not constituting a Unit, the Common Area and the Limited Common Area, which policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the District or another Owner.

6.3. Worker's Compensation. Worker's compensation insurance to the extent necessary to comply with any applicable law.

6.4. Fidelity Insurance. Fidelity insurance against dishonest acts on the part of the Directors, officers, managers, trustees, employees or volunteers of the District responsible for handling funds collected and held for the benefit of the Owners, naming the District as insured.

6.5. Other Insurance. Such other policies of insurance as required by this Declaration, or as the Board of Directors deems necessary or desirable.

ARTICLE SEVEN
MANAGEMENT, MAINTENANCE, REPAIRS,
ALTERATIONS AND IMPROVEMENTS

7.1. Manager or Managing Agent. The management, repair, improvement, and alteration of all improvements within the Project not constituting a Unit, all improvements constructed within and upon the Common Area, all improvements constructed within and upon the Limited Common Areas and all other property as set forth hereinafter is the non-exclusive responsibility of the District, to be managed by the Board of Directors. Provided however, the Board of Directors may delegate all or any portion of its authority and responsibility under this Article Seven to a manager or managing agent. Such delegation shall be evidenced by a management contract which shall not exceed three (3) years in duration and which shall set forth such duties and responsibilities as the Board of Directors may from time to time delegate.

7.2. The District's Responsibilities.

- 7.2.1. The District is responsible to collect and use the proceeds of the Assessments in furtherance of the requirements of the Petition and this Declaration. Such responsibilities shall include, but are not limited to, the District's responsibility to construct, care, repair and maintain all improvements within the Project not constituting a Unit, along with all Common Area and Limited Common Area not dedicated to the City for public use and not included within the Owner's Responsibilities in Section 7.3 below.
- 7.2.2. The District may collect and expend Sub-Association Assessments, if desired by the Board of Directors in its sole discretion, as provided in the declaration of covenants, conditions and restrictions, articles of incorporation and by-laws governing each Sub-Association.
- 7.2.3. The frequency of, and the materials to be used in, the performance of the District's responsibilities shall be in the sole discretion of the Board of Directors and shall not be subject to the control of any Owner. If maintenance, care, repair, replacement, or extraordinary services to any Unit is caused by an Owner's modifications to the original design of a Unit, as determined by the Board of Directors in its sole discretion, the addition of improvements by the Owner, or through the willful or negligent act of any Owner, or of such Owner's agents, family, guests, tenants (where permitted), invitees or contractors, the cost of such maintenance, care, repair, replacement, or extraordinary services not covered by insurance shall be a specific assessment to which such Owner's Unit is subject, and must be paid by or on behalf of said Owner and shall be enforceable and secured by a lien against the Unit as in the case of all other Assessments, as provided in Article Five above.

7.3. The Owners' Responsibilities. Each Owner shall maintain, repair and replace, at such Owner's expense, all portions of such Owner's Unit. Such Owner's responsibility shall include, without limitation, responsibility for all breakage, damage, malfunction, painting, repair and maintenance of such Unit. All fixtures and equipment installed within a Unit, commencing at a point where the utility lines, pipes, wires, conduit or systems enter the Unit, shall be maintained and kept in good repair by the Owner thereof except as otherwise provided in this Declaration.

7.4. The Declarant's Responsibilities. The Declarant shall, at its own expense and to the extent required by law, maintain and care for all the undeveloped Property and any Units or Units owned by the Declarant.

7.5. Improvements and Alterations. No Owner may paint or otherwise decorate or change the appearance of the exterior portion of such Owner's Unit or the surrounding Unit without the prior written consent of the ARB. If any violation of this provision is not remedied within fifteen (15) days after notice of such violation is sent to the Owner of the Unit upon which such

violation exists, the District shall have the right through its agents and employees, to take such legal action as may be necessary to force the removal or termination of such violation. The cost thereof (including legal fees and court costs incurred by the District to enforce the provisions hereof) may be assessed as an Assessment against the Unit upon which such violation occurred, and when so assessed, a statement for the amount thereof shall be rendered to the Owner of such Unit, in all respects, and subject to the same provisions and limitations as provided in Article Five of this Declaration. The District shall have the further right, through its agents, employees or committees, to enter upon any Limited Common Area at any reasonable time for the purpose of ascertaining whether any violation of any provision of this Declaration exists, and neither the District nor any such agent, employee or committee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE EIGHT

ARCHITECTURAL CONTROL

8.1. Architectural Review Board. An ARB consisting of five (5) members shall be appointed by the Declarant. When the Declarant's membership terminates, the Board of Directors shall appoint the ARB. The Board of Directors may appoint itself to act as the ARB.

8.2. Purpose.

8.2.1. The ARB shall be responsible for approving all Plans, subject to the provisions stated within this Declaration.

8.2.2. The ARB shall assure that all Plans conform with any design guidelines approved by the ARB, in its sole discretion, and further, shall regulate the external design, appearance, use and maintenance of any applicable Owner-occupied Unit and improvements located thereon in such a manner so as to preserve and enhance the value of all Units within the Trails of Park Ridge and to maintain a harmonious relationship among the structures, the natural vegetation and the topography.

8.2.3. The ARB may adopt design guidelines which are to be strictly enforceable by the ARB against any Owner and/or Builder. Provided however, the ARB shall approve a Waiver to any one or more of the design guidelines when:

8.2.3.a. an application for a Waiver, stating the applicable design guideline requested to be waived and the reason for such Waiver, has been formally submitted by a Builder or Owner to the ARB for review; and

8.2.3.b. within thirty (30) days of the application's submittal date, the ARB has conducted a hearing on the Waiver application and, after evidence has been submitted by a Builder or Owner, a simple majority of the ARB's members have found that:

8.2.3.b.1. significant factors are present to allow a finding that such Waiver is in the best interest of the Trails of Park Ridge; and

8.2.3.b.2. the quality and character of the community is, and will be, upheld despite the Waiver's approval;

or, in the event that

8.2.3.c. the ARB shall fail to hold a requisite hearing on the Waiver application within thirty (30) days of the Waiver application's submittal date.

8.2.4. An applicant may appeal an adverse ARB decision to the Board of Directors, which may reverse or modify such ARB decision by a two-thirds (2/3) vote of the Board of Directors.

8.3. Conditions. Except as otherwise expressly provided for in this Declaration, no improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any Unit, alters the Common Area or alters the Limited Common Area or the improvements located thereon from its natural or improved state existing on the date such property was first conveyed in fee by the Developer to an Owner shall be made or done without the prior approval of the ARB. In addition, no building, fence, wall, residence, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the ARB.

ARTICLE NINE **EASEMENTS**

9.1. Utility Easements. Declarant will install or cause to be installed the Utility Lines to the interior of each Unit. To insure that such Utility Lines shall be installed, kept, maintained, restored, repaired and replaced, Declarant hereby reserves unto itself, and grants to the District, an easement to install, keep, maintain, restore, repair, and replace any utility lines under and across the Property, such easement to be freely assignable by Declarant, in Declarant's sole discretion.

9.2. Easement in Gross. Declarant hereby reserves unto itself the Easement, and grants the Easement to the District on the Turnover Date, upon, across, over and under all of the Property, for the purposes of installation, operation, replacement, repair and maintenance of all utilities servicing the Units, including, but not limited to, water, sewer, telephone, television, electricity, gas, cable television and drainage facilities, together with the right to remove any obstruction that may be placed in such Easement area that would constitute interference with the use of such Easement or with the use, maintenance, operation or installation of such utilities, Utility Lines or drainage facilities. The Declarant reserves the right to convey all or part of the Easement created herein to any public or private utility company or public entity in furtherance of the purposes

described herein. Notwithstanding anything to the contrary contained in this Section, or in this Declaration, or in any Supplemental Declaration, no sewer, electrical line, water line or other utilities may be installed or relocated upon the Property until approved by the Declarant so long as the Declarant owns any real property within the boundaries of the Trails of Park Ridge, and thereafter upon approval by the Board of Directors. Neither Declarant nor any utility company or other authorized entity using the Easement created by this Declaration shall be liable for any damage to shrubbery, trees, flowers, grass, or other improvements located on the Property covered by such Easement. Owners shall not be deemed to separately own any Utility Lines or other service lines running through their Unit which are utilized for or serve other Units, the Common Area, or any Limited Common Area, but each Owner shall have an easement of ingress and egress to the aforesaid Utility Lines as shall be necessary for the use, maintenance and enjoyment of such Owner's Unit, subject to such rules and regulations as may be established by the Board of Directors. No Owner may disconnect any Utility Line and all Owners are prohibited from intentionally interrupting the utility services rendered to other Owners, any Limited Common Area or the Common Area. All expenses incurred by the District in reconnecting or repairing utility services as the result of the intentional disruption of such service by an Owner shall be assessed against and shall be due from such Owner as an Assessment against such violating Owner's Unit in accordance with Article Five of this Declaration.

9.3. Easement for Ingress and Egress. Declarant hereby creates and reserves unto itself, and hereby grants to the District for the benefit of each Owner, an easement for ingress to and egress from each Unit over and across all Limited Common Area and Common Area.

9.4. Easement for the District. Declarant hereby establishes and reserves to itself, and hereby grants to the District, an easement over, under and across all of the Property for the purposes of executing any of the powers, rights or duties granted to or imposed upon the District by the terms of the District Documents.

ARTICLE TEN

USE RESTRICTIONS

10.1. Single-Family Residences. Each Unit shall be used solely for a private residence of no more than one (1) family. An Owner, or permitted tenant or occupant, maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the Unit), making professional telephone calls or corresponding, in or from a Unit, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions.

10.2. Other Structures. No building, basement, tent, movable storage shed, garage, shed, shack, barn, fence, deck, hedge, privacy enclosure wall, retaining wall, driveway, swimming pool, hot tub, greenhouse, playhouse, play structure, freestanding mailbox, gazebo, basketball goal, trampoline, or other structure of any type of a temporary or permanent character, may be erected, used or maintained at any time upon any Common Area or Limited Common Area without the prior written approval of the ARB. No structure, other than a Unit, may be used at any time as a residence, either temporarily or permanently.

10.3. Signs. Except as specifically provided in this Section, no signs of any type shall be hung or displayed either on the inside of the Unit, or on the outside of any Unit, or otherwise so as to be seen from the exterior. One temporary "for sale" or one temporary "for rent" sign (any such sign not to exceed a total of four (4) square feet) at any one time may be displayed by or on behalf of an Owner on such Unit's Limited Common Area, or in such area designated for such purposes by the Board of Directors, in its sole discretion, provided such stated area shall be outside the public right-of-way and shall be solely in the area in front of such Owner's Unit until the Unit is sold or rented (as applicable), all in accordance with the laws of the City. One political sign per candidate or issue, not to exceed a total of four (4) square feet is permitted within a Unit's dedicated Limited Common Area, and not within any Common Area or public right-of-way. Such political sign display shall be permitted for up to three (3) weeks before the election, but must be removed within 24 hours after the election. Decorative seasonal, sports or holiday flags and the United States flag shall be regulated separately by the Board of Directors or the ARB, if such power is delegated, in a manner not in violation of law.

10.4. Unightly, Unsanitary or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development or existence of any unsightly, unsanitary or unkempt condition within such Owner's Unit, or upon such Unit's dedicated Limited Common Area, including, but not limited to: (i) any accumulation or deposits of garbage, trash or debris other than that which is temporarily stored for lawful disposal in leak proof containers designed for the storage of garbage, trash or debris; (ii) any substances or structures that emit, generate or cause noxious or toxic odor, dust, vapor or mist; (iii) deposits of leaves, grass, dirt or other materials on the Common Area or public right-of-way or interfering with the proper functioning of any sanitary or storm sewer improvements; (iv) any accumulation or deposits of garbage, trash or debris that could attract rats, mice or snakes; (v) any accumulation, deposit or discharge of foul, dirty or polluted water or other liquid that can contaminate surface or ground water or that provides a place for the breeding of flies and mosquitoes, the production of odors, or the transmission of disease; and (vi) any live or dead tree, limb, bush or brush which constitutes a hazard to the safety of persons or property, private or public, including a safety hazard obstructing the line of sight or interfering with the passage of Motor Vehicles, bicyclists or pedestrians at a street intersection or on any public right-of-way, or harbors insects or disease that constitutes a potential threat to other trees. No noxious or offensive activity shall be carried on within any Unit nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property within close proximity to the Unit.

10.5. Woodpiles, Outdoor Clothes Lines, Antennas, Etc. All woodpiles shall be located or screened from the view of neighboring Units, streets and adjacent property. No outdoor clothes dryers or lines or billboards are permitted. No radio or television transmitting or receiving antennas, towers or dishes are permitted, provided however, satellite dishes conforming to the Rule will be allowed to the extent provided for in the Rule. No exterior lighting, awnings, canopies, or shutters shall be erected, affixed to, installed, placed or permitted on any Unit, or upon any exterior wall, window or roof of any Unit without the prior written consent of the ARB. No yard ornamentation, building ornamentation, stepping-stones or sidewalks shall be permitted on any Unit's Limited Common Area without the prior written consent of the ARB. All window

treatments must be of a permanent nature, and bed sheets, aluminum foil, reflective film or similar treatments are not permitted on windows or glass doors.

10.6. Storage. No storage of any type shall be allowed at any time on any Unit's Limited Common Area except within each Owner's private enclosed Unit or such Unit's dedicated garage, if applicable, and nothing shall be stored in such manner as to be exposed to public view. No liquid fuel storage tank with a capacity in excess of two (2) gallons may be maintained upon any Unit's Limited Common Area or in any Unit. Storage within a garage shall not be so great as to cause an Owner to not use such Owner's garage for the purpose of parking such Owner's Vehicle(s).

10.7. Animals Kept as Pets. No livestock, animals, reptiles or poultry of any kind shall be kept on or in a Unit's Limited Common Area and/or Unit, except that not more than two (2) domesticated household pets may be kept on or in a Unit's Limited Common Area and/or Unit. For purposes of this Section, "domesticated household pets" means dogs, cats, hamsters, gerbils, rabbits, canaries or other birds, ferrets and the like normally kept in the City as pets. All domesticated household pets must be confined at all times within the interior of the Unit or on a leash under the direct supervision and control of the Owner. Owners shall prevent their domesticated household pets from barking and from making loud or raucous noises to the disturbance of other Owners. The Board of Directors shall have the absolute power to prohibit any animal, reptile or bird from being kept on or in a Unit and/or Unit.

10.8. Adverse Acts. An Owner shall neither take any act, nor commission any work that will impair the structural soundness or adversely affect the integrity of any Multi-Family Unit, or such Owner's own, or any other Owner's, Unit or impair any easement or hereditament.

10.9. Vehicles – Parking and Storage. All Passenger Motor Vehicles shall be parked or stored within the Owner's garage; provided however, that not more than two (2) Passenger Motor Vehicles with a gross vehicle weight of less than eight thousand (8,000) pounds may be routinely parked on an Owner's driveway. Passenger Motor Vehicles belonging to visitors may be temporarily parked in accordance with rules and regulations promulgated by the Board of Directors, if any. No Vehicles shall be parked on streets, driveways, private alleys or private lanes so as to obstruct ingress and egress by other Owners, their families, tenants (where permitted), guests and invitees, or by emergency, construction, delivery and/or pickup or service Vehicles, except for the reasonable needs of emergency, construction or service Vehicles and then limited to as brief a time as possible. Except for the reasonable needs of emergency, construction, delivery and/or pickup, or service Vehicles, and only for a period of time reasonably necessary for loading or unloading of personal property by an Owner, its family, tenants (where permitted), guests and/or invitees, no Commercial Vehicle or Recreational Vehicle, shall be parked, stored or kept within the Trails of Park Ridge. No person shall be allowed to cook or sleep in any Vehicle, including, but not limited to, any Recreational Vehicle, at any time or for any reason whatsoever when such Vehicle is located upon the Property. All Watercraft and/or Trailers shall be parked or stored within the Owner's garage.

10.10. Additional Restrictions Regarding Vehicle Repairs and Inoperable Vehicles. No major repair, rebuilding, or maintenance of any Vehicle is permitted except within an Owner's private enclosed garage. No major repair, rebuilding, or maintenance of any Vehicle is permitted

on the streets, driveways, private alleys or private lanes. No Vehicle is permitted on the Property that: (i) is missing its hood, trunk lid or other significant body part, or (ii) is incapable of operation or use because it has one or more missing tires, or lacks an engine or other major component, or (iii) does not display a valid license and current inspection sticker, except within an Owner's private enclosed garage.

10.11. Planting and Gardening. No planting or gardening shall be done, and no fences, hedges, decks or walls shall be erected or maintained upon the Property, except as installed by Declarant in connection with the initial construction of buildings or Units, or as may be set forth on the initial approved site plan, or as may be approved by the Board of Directors or ARB from time to time in accordance with these Declarations. No chain link boundary fences shall be allowed upon any Unit's Limited Common Area. No artificial flowers, trees or other artificial vegetation is permitted on the exterior of any Unit or in such Unit's Limited Common Area, except for door wreaths or holiday garlands.

10.12. Sound Devices. No speaker, horn, whistle, siren, bell or other sound device shall be located, installed or maintained upon any Unit or the exterior of any Unit, except solely for security purposes.

10.13. Illumination. No lights or other illumination (other than street lights) may be higher than the Unit.

10.14. Garage Sales. No garage sales, sample sales or similar activities may be held, other than as part of a neighborhood event approved by the Board of Directors.

10.15. Insurance Risks. Nothing shall be done or kept in or on the Property that will increase the rate of insurance payable by the District or individual Owners without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept on or in such Owner's Unit, the Limited Common Area or the Common Area which will result in the cancellation of insurance on any Unit, the Limited Common Area or any of the Common Area, or which would be in violation of any law.

10.16. Common Area Uses. The Common Area will be used in common by all Owners, occupants and tenants (where permitted), and their agents, servants, customers, invitees and licensees, in accordance with the purposes for which it is intended, reasonably suited and capable, and as may be required for the purpose of access, ingress to, egress from, use, occupancy and enjoyment of an Owner's Unit. Unless expressly provided in this Declaration, the Common Area may not be used for any purpose other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Owners.

10.17. Exception From Use Restrictions. Unless otherwise expressly stated herein, the foregoing covenants of this Declaration shall not apply to the activities of the Declarant or the District. The Declarant may maintain, while constructing and selling Units, such facilities as it, in its sole discretion, may deem necessary or convenient, including, but without limitation, offices, storage areas, model Units and signs. The Declarant may also grant such rights to Builders in connection with and during the construction and selling of Units by Builders.

10.18. District's Standards. The District, acting through its Board of Directors, shall have authority to make and enforce standards and use restrictions applicable to the Property in addition to those contained herein, and such additional standards shall be recorded and incorporated into this Declaration as if originally stated herein. In addition, the District and the Board of Directors shall have authority to impose reasonable user fees for Common Area facilities.

10.19. Occupants and Permitted Tenants. All provisions of this Declaration and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants and permitted tenants of any Unit.

ARTICLE ELEVEN **GENERAL PROVISIONS**

11.1. Amendment. The covenants, conditions, restrictions and easements of this Declaration shall run with and bind the Property, including any Additional Property, and shall inure to the benefit of and be enforceable by the District or any Owner, in perpetuity, unless Owners representing at least sixty-seven percent (67%) of the votes held all Members have signed and recorded an instrument abolishing or changing said covenants, conditions and restrictions in whole or in part.

11.2. Amendment by Declarant. Until such time as the first Unit is conveyed to an Owner other than a Builder, Declarant, at its sole discretion, may abolish the covenants, conditions and restrictions of this Declaration or change them in whole or in part. In addition, so long as Declarant is a Member, Declarant shall have the right, but not the obligation, to amend or modify the covenants, conditions, restrictions and easements of this Declaration without providing notice to or obtaining the consent of any other Member, to the extent Declarant, in its sole discretion, may deem necessary.

11.3. Articles Two, Three, Five and Eleven of this Declaration May Not Be Amended. Notwithstanding anything contained within this Declaration to the contrary, the Members may not amend Article Two, Article Three, Article Five and Article Eleven of this Declaration, provided however, this provision shall in no way impede the Declarant from amending these Declarations pursuant to Section 11.2.

11.4. Amendment by Owners. Subsequent to the Declarant's membership terminating, and except as provided in Sections 11.1, 11.2 and 11.3 of this Article, the covenants, conditions, restrictions and easements of this Declaration may be abolished, amended, or changed in whole or in part only with the consent of Owners representing at least sixty-seven percent (67%) of the votes held by all Members, to be evidenced by a document in writing bearing each of their signatures; provided, however, that no such instrument shall be effective unless made and recorded six (6) months in advance of its effective date; and provided, further, that no such change shall be effective on less than thirty (30) days' prior notice to the Owners.

