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Title of Document: **Declaration of Covenants, Conditions and Restrictions for Cedar Creek Village II**

Date of Document: February 24, 2016

Grantor/Grantee: Cedar Creek Development Company, Inc.
Address: 25775 W. 103rd Street
Olathe, Kansas 66061

Legal Description: See Exhibit A

Reference Book and Page(s): Book 4967, Page 544
Book 5656, Page 427

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- TABLE OF CONTENTS -

<u>ARTICLE</u>	<u>SECTION</u>	<u>PAGE</u>
I.	DEFINITIONS	1
1.	Affiliate.....	1
2.	Area of Common Responsibility	1
3.	Articles of Incorporation; Articles	2
4.	Association	2
5.	Base Assessment	2
6.	By-Laws	2
7.	Cedar Creek Community	2
8.	Cedar Creek Community Services Corporation	2
9.	Class "B" Control Period	2
10.	Common Area	2
11.	Common Expenses	2
12.	Community Properties	3
13.	Community-Wide Standard	3
14.	Declarant	3
15.	Exclusive Common Area	3
16.	General Common Area	3
17.	Master Land Use Plan	3
18.	Member	3
19.	Mortgage	3
20.	Mortgagee	3
21.	Mortgagor	3
22.	Neighborhood	3
23.	Neighborhood Assessments	4
24.	Neighborhood Expenses	4
25.	Owner.....	4
26.	Person	4
27.	Private Recreational Parcel	4
28.	Special Assessment	4
29.	Supplemental Declaration.....	5
30.	Unit	5
31.	Village II Properties.....	6
32.	Voting Group	6
33.	Voting Member	6
II.	PROPERTY RIGHTS	6
1.	General	6
2.	Exclusive Common Areas	7
3.	Private Recreational Parcels	7

<u>ARTICLE</u>	<u>SECTION</u>	<u>PAGE</u>
III.	MEMBERSHIP AND VOTING RIGHTS	7
1.	Membership	7
2.	Voting	8
3.	Neighborhoods and Voting Groups	8
IV.	MAINTENANCE	10
1.	Association's Responsibility	10
2.	Owner's Responsibility	11
3.	Neighborhood's Responsibility	11
4.	Party Walls and Party Fences	11
V.	INSURANCE AND CASUALTY LOSSES	12
1.	Insurance	12
2.	Individual Insurance	15
3.	Damage and Destruction	15
4.	Disbursement of Proceeds	16
5.	Repair and Reconstruction	16
VI.	NO PARTITION	17
VII.	CONDEMNATION	17
VIII.	ANNEXATION OF ADDITIONAL PROPERTY	18
1.	Annexation Without Approval of Class "A" Membership	18
2.	Annexation With Approval of Class "A" Membership	18
3.	Acquisition of Additional Common Area	18
4.	Withdrawal of Property	19
5.	Cedar Creek Covenants	19
6.	Amendment	19
IX.	RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	19
1.	Common Area	19
2.	Personal Property and Real Property for Common Use	19
3.	Rules and Regulations	19
4.	Implied Rights	20

5.	Governmental Interests	20
X.	ASSESSMENTS	20
1.	Creation of Assessments	20
2.	Computation of Base Assessment	21
3.	Computation of Neighborhood Assessments	22
4.	Special Assessments	23
5.	Lien for Assessments	23
6.	Reserve Budget and Capital Contribution	24
7.	Date of Commencement of Assessments	24
8.	Subordination of the Lien to First Mortgages	24
9.	Capitalization of Association.....	25
10.	Exempt Property	25
XI.	ARCHITECTURAL STANDARDS	25
1.	New Construction Committee	26
2.	Modifications Committee	26
3.	No Waiver of Future Approvals	27
4.	Variance	27
5.	Compliance With Guidelines	27
XII.	USE RESTRICTIONS	27
1.	Signs	28
2.	Parking, Storage and Operation of Vehicles and Equipment	28
3.	Occupants Bound	29
4.	Animals and Pets	29
5.	Quiet Enjoyment	29
6.	Unsightly or Unkempt Conditions	30
7.	Antennas	30
8.	Basketball Equipment, Clotheslines, Garbage Cans, Tanks, Etc	30
9.	Subdivision of Unit and. Time Sharing	30
10.	Firearms	30
11.	Pools	30
12.	Irrigation	30
13.	Tents, Trailers and Temporary Structures	30
14.	Drainage and Septic Systems	30
15.	Tree Removal	30
16.	Sight Distance at Intersections	30
17.	Utility Lines	30
18.	Air Conditioning Units	32
19.	Lighting	32
20.	Artificial Vegetation, Exterior Sculpture, and Similar Items	32

<u>ARTICLE</u>	<u>SECTION</u>	<u>PAGE</u>
21.	Energy Conservation Equipment	32
22.	Lakes, Ponds and Water Bodies	32
23.	Playground	32
24.	Fences	32
25.	Business Use	32
26.	On-Site Fuel Storage	34
27.	Golf Carts	34
28.	Leasing of Units	34
29.	Laws and Ordinances	35
XIII.	GENERAL PROVISIONS	35
1.	Term	35
2.	Amendment	36
3.	Indemnification	36
4.	Easements of Encroachment	37
5.	Easements for Utilities, Etc	37
6.	Easement for Golf Balls	38
7.	Severability	38
8.	Right of Entry	38
9.	Perpetuities	38
10.	Litigation	38
11.	Cumulative Effect; Conflict	39
12.	Use of the Words "Cedar Creek"	39
13.	Compliance	39
14.	Security	39
15.	Notice of Sale or Transfer of Title	40
16.	Enforcement	40
XIV.	MORTGAGEE PROVISIONS	41
1.	Notices of Action	41
2.	Special FHLMC Provision	41
3.	Other Provisions for First Lien Holders	42
4.	Amendments to Documents	42
5.	No Priority	43
6.	Notice to Association	43
7.	Amendment by Board	44
8.	Applicability of Article XIV	44
9.	Failure of Mortgagee to Respond	44

XV.	DECLARANT'S RIGHTS	44
XVI.	PRIVATE RECREATIONAL PARCELS	45
1.	General.....	45
2.	Conveyance of Private Recreational Parcels.....	45
3.	Rights of Access and Parking	45
4.	Assessments	46
5.	Limitations on Amendments.....	46
6.	Jurisdiction and Cooperation	46
XVII.	CEDAR CREEK COMMUNITY SERVICES CORPORATION	46
1.	General.....	46
2.	Jurisdiction and Cooperation	46
3.	Easements to Community Services Corporation.....	47
4.	Enforcement Action	47
5.	Dispute Resolution	47
6.	Amendment	47
7.	Superiority of Cedar Creek Covenants	47

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First Appearing</u>
"A"	Land Initially Submitted	1
"B"	By Laws of Association	2

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CEDAR CREEK VILLAGE II

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 24 day of February, 2016, by Cedar Creek Village II Association, Inc., a Kansas not-for-profit corporation.

Cedar Creek Development Company, Inc., a Kansas corporation (hereinafter referred to as "Declarant"), as the developer and owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference, filed this Declaration to impose upon the Village II Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Village II Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Village II Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Village II Properties as are now or hereafter subject to this Declaration.

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 Village II Properties 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 the Kan. Stat. Ann. § 58-3101, et seq.

Article I Definitions

Section 1. "Affiliate" shall mean as to any Person, any other Person (a) that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such Person; (b) that directly or indirectly beneficially owns or holds fifty percent (50%) or more of any class of voting stock or other voting equity interest of such Person; or (c) fifty percent (50%) or more of the voting stock or other voting equity interest of which is directly or indirectly beneficially owned or held by such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

Section 2. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any Neighborhood become the responsibility of the Association. The following may be included as Areas of Common Responsibility as determined by the Board of Directors: (i) the office of any property manager employed by or contracting with the Association and located in the

Cedar Creek Community, any public rights-of-way within or adjacent to the Village II Properties, and any conservation easements, dedicated wildlife areas and/or natural preservations areas.

Section 3. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Cedar Creek Village II Association, Inc., as filed with the Secretary of State of the State of Kansas.

Section 4. "Association" shall mean and refer to Cedar Creek Village II Association, Inc., a Kansas not-for-profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Kansas corporate law. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Village II Properties.

Section 5. "Base Assessment" shall mean and refer to assessments levied against all Units in the Village II Properties to fund Common Expenses.

Section 6. "By-Laws" shall mean and refer to the By-Laws of Cedar Creek Village II Association, Inc., attached hereto as Exhibit "B" and incorporated herein by reference, as they are amended from time to time.

Section 7. "Cedar Creek Community" shall refer to all that real property which is now or hereafter made subject to that certain Declaration of Covenants for Cedar Creek Community recorded on August 21, 1996 at Book 4967, Page 544 in the Johnson County, Kansas, public records, as amended by that First Amendment recorded on July 2, 1998 in Book 5656, Page 427 in the Johnson County, Kansas, public records, as it may be amended from time to time ("Cedar Creek Covenants").

Section 8. "Cedar Creek Community Services Corporation" shall refer to that not-for-profit corporation of the same name organized under the laws of the State of Kansas to own and operate certain property for the benefit of, and to provide certain services to, the owners of property within the Cedar Creek Community, as more particularly set forth in the Cedar Creek Covenants.

Section 9. "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 10. "Common Area" shall be an inclusive term referring to all General Common Area and all Exclusive Common Area, as defined herein.

Section 11. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, 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 of the Association, 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 Voting Members representing a majority of the total Class "A" vote of the Association.

Section 12. "Community Properties" shall mean and refer to the real property and facilities owned and/or controlled by Cedar Creek Community Services Corporation for the use and benefit of all owners and occupants of property within the Cedar Creek Community, as more particularly described in the Cedar Creek Covenants. The Declarant reserves the right 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.

Section 13. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Village II Properties. Such standard may be more specifically determined by the Board of Directors and the New Construction Committee.

Section 14. "Declarant" shall mean and refer to Cedar Creek Development Company, Inc., a Kansas corporation, or its successors, successors-in-title or assigns who are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 15. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods, as more particularly described in Article II of this Declaration.

Section 16. "General Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners, including any and all easements granted to the Association.

Section 17. "Master Land Use Plan" shall mean and refer to the plan for the development of the Village II Properties and that portion of the property described in Article VIII, Section 1, hereof, which is owned by Declarant from time to time and subject to annexation to the Village II Properties, which plan was prepared by and is on file with Declarant and is subject to modification from time to time in the sole discretion of Declarant.

Section 18. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 19. "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 20. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 21. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 22. "Neighborhood" shall mean and refer to each separately developed and denominated residential area comprised of one (1) or more housing types subject to this

Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration and not limitation, each condominium, townhome development, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association (as defined in Article III, Section 3) having jurisdiction over the property within the Neighborhood. It shall not be necessary for any Neighborhood to be governed by an additional owners association except in the case of a condominium or otherwise as required by law. Neighborhoods may be divided or combined in accordance with Article III, Section 3, of this Declaration.

Section 23. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as more particularly described in Article X, Section 1 of this Declaration.

Section 24. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Section 25. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Village II Properties, 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 Association.

Section 26. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 27. "Private Recreational Parcel" shall mean any parcel of land within or adjacent to the Village II Properties which is privately owned by Declarant or 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, club houses, pools, tennis courts and any and all related and supporting facilities and improvements.

Section 28. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 4 of this Declaration.

Section 29. "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, or designates Voting Groups as specified in Article III, Section 3(b) hereof. The term shall also refer to the instrument recorded by the Association pursuant to Article VIII, Section 2 of this Declaration to subject additional property to this Declaration.

Section 30. "Unit" shall mean a portion of the Village II Properties, 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 Village II Properties. 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 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 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 which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Notwithstanding anything to the contrary herein, upon written notice to the Board of Directors setting forth such information as the Board may reasonably require, an Owner who owns two (2) adjoining single family lots as shown on a recorded subdivision plat filed by Declarant, with no more than one (1) dwelling constructed on such adjoining lots, may have such lots treated as a single Unit for all purposes including, but not limited to, assessments and voting. An Owner who owns more than two (2) adjoining lots may have two (2) of such lots treated as a single Unit as provided herein, but each additional lot owned shall constitute a separate Unit. The Owner of such adjoining Units shall not be required to prepare and record plats altering Unit boundaries in order for adjoining Units to be treated as a single Unit. In the event that title to any one of the adjoining lots treated as a single Unit pursuant to this Section is transferred or if construction of more than one (1) dwelling is commenced on the adjoining lots, then such adjoining lots shall cease being treated as a single Unit and shall thereafter be treated as two (2) separate Units for all purposes. The Owner of adjoining lots treated as a single Unit hereunder shall give written notice to the Board of Directors at least ten (10) days prior to (a) transfer of title to either lot, or (b) commencement of construction of more than one (1) dwelling on such lots. This Section shall not apply to Units owned by the Declarant or any builder holding title to one or more lots primarily for purposes of constructing a dwelling or dwellings thereon for resale.

Section 31. "Village II Properties" 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 32. "Voting Group" shall mean one (1) or more Voting Members who vote on a common slate for election of directors to the Board of Directors of the Association, as more particularly described in Article III, Section 3(b), of this Declaration or, if the context permits, the group of Members whose Units are represented thereby.

Section 33. "Voting Member" shall mean and refer to the representative selected by the Members of each Neighborhood to be responsible for casting all votes attributable to Units in the Neighborhood for election of directors, amending this Declaration or the By-Laws, and all other matters provided for in this Declaration and in the By-Laws. The Voting Member from each Neighborhood shall be the Neighborhood Committee chairman (or Neighborhood Association president) from that Neighborhood; the alternate Voting Member shall be the Neighborhood Committee vice-chairman (or Neighborhood Association vice-president).

Article II

Property Rights

Section 1. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, 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 Association;

(b) the right of the Association to limit the number of guests, and to adopt rules regulating the use and enjoyment of the Common Area;

(c) the right of the Association to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for violations of the Declaration, By-Laws, or rules of the Association after notice and a hearing pursuant to the Article III, Section 22 of the By-Laws;

(d) the right of the Association to dedicate or transfer all or any part of the Common Area pursuant to Article XIII, Section 5 hereof;

(e) the right of the Association to impose reasonable membership requirements and charge a reasonable admission or other fee for the use of any recreational facility situated upon the Common Area;

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

(g) the rights of certain Unit Owners to the exclusive use of portions of the

Common Areas, designated Exclusive Common Areas, as more particularly described in Section 2 below.

Any Owner may delegate his or her right of enjoyment to the members of his or her family, lessees and social invitees, as applicable, 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.

The initial Common Area shall be conveyed to the Association prior to the conveyance of a Unit to any Unit purchaser other than a builder or developer holding title for the purpose of development and resale.

Section 2. Exclusive Common Areas. Certain portions of the Common Areas may be designated Exclusive Common Areas and reserved for the exclusive use of Owners and occupants of Units within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Neighborhoods which are benefited thereby as a Neighborhood Assessment, as defined herein. By way of illustration and not limitation, Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned or reassigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods upon the vote of the Board of Directors and a majority of the Owners within the Neighborhood(s) to which they are assigned (and majority vote of the Owners within the Neighborhood(s) from which the Exclusive Common Area is being removed, if applicable). Furthermore any Exclusive Common Area may be reassigned as non-exclusive Common Area to be maintained by the Association or as Community Properties to be maintained by Cedar Creek Community Services Corporation upon the vote of a majority of the Owners within the Neighborhood(s) from which the Exclusive Common Area is being removed and the Board of Directors of the Association or Cedar Creek Community Services Corporation, as applicable.

Section 3. Private Recreational Parcels. Access to the Private Recreational Parcels within or adjacent to the Village II Properties is strictly subject to the terms, conditions, rules and procedures established by the respective owners of the Private Recreational Parcels, as more particularly described in Article XVI of this Declaration. No Owner or occupant 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**

Section 1. Membership. The Declarant and every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use

and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Voting Member, as defined in Article I, representing the Neighborhood of which the Unit is a part.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(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 and become converted to Class "A" membership 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, in its discretion, the Declarant so determines.

Section 3. Neighborhoods and Voting Groups.

(a) Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Article I. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or as otherwise required by law. Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood

Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood, the cost of which shall be assessed against the benefited Units as a Neighborhood Assessment pursuant to Article X hereof.

The chairman of each Neighborhood Association or Neighborhood Committee shall serve as the Voting Member for such Neighborhood and shall cast all votes attributable to Units in the Neighborhood on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the By-Laws. The vice-chairman shall be the alternate Voting Member and may cast such votes in the absence of the Voting Member. The Voting Member may cast all such votes as it, in its discretion, deems appropriate. Notwithstanding the above, each Voting Member shall cast only one (1) equal vote for election of directors.

Initially, each portion of the Village II Properties described on a single plat or series of plats by the same name shall, constitute a separate Neighborhood. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood or to combine two (2) or more Neighborhoods into one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhood(s) or otherwise identifies the Units included within the proposed Neighborhood(s). A Neighborhood consolidation shall automatically be deemed granted upon filing the required documents with the Board. A Neighborhood division requested by the Neighborhood or by the Neighborhood developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

(b) Voting Groups. In order to guarantee representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which the Voting Members representing similar Neighborhoods are able, due to the number of Units in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others, the Declarant shall establish Voting Groups for election of directors to the Board.

The Declarant shall establish Voting Groups not later than the date of expiration of the Class "B" Control Period by filing with the Association and in the public records of Johnson County, Kansas, a Supplemental Declaration identifying each Voting Group and designating the

Units within each group. Such designation may be amended from time to time by Declarant, acting alone, at any time prior to the expiration of the Class "B" Control Period. Until such time as Voting Groups are established by Declarant, or in the event that Declarant fails to establish Voting Groups, all Units shall be assigned to the same Voting Group. Each Voting Group shall be entitled to elect the number of directors specified in Article III, Section 6 of the By-Laws. Any other members of the Board of Directors shall be elected at large by all Voting Members without regard to Voting Groups.

Article IV **Maintenance**

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. The Association shall maintain, in coordination with the Cedar Creek Community Services Corporation, the Area of Common Responsibility at a level commensurate with the community-wide standard as determined by the Board of Directors, such maintenance to be funded as hereinafter provided. This maintenance shall include the maintenance, repair and replacement of all landscaping and other flora, structures and improvements, including private streets and stacked stone walls, situated on General Common Areas (excluding landscape easements) or on Exclusive Common Areas; notwithstanding language to the contrary included on some plats of Village II Properties, the maintenance of all landscaping and flora, as deemed appropriate by the Board of Directors, situated within landscape easements shown on recorded plats covering any portion of the Village II Properties; and the maintenance and repair 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 Association.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those designated by Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Village II Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association 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.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Cedar Creek Community Services Corporation, the Association, or a Neighborhood Association pursuant to the Cedar Creek Covenants, this Declaration, any Supplemental Declaration or any other declaration of covenants applicable to such Unit.

Each Owner shall maintain and fertilize all landscaping on his Unit and all landscaping between the Unit boundary and the curb of any street or the actual water's edge of any lake, pond, stream or other body of water adjacent to the Unit, unless so assumed or assigned as provided above. If there is an easement over the Unit for a jogging or bicycle path or trail, the Unit Owner shall be responsible for maintaining the grass or lawn within such easement area on either side of such path or trail, but shall have no responsibility for maintenance of trees, shrubs or other landscaping within the easement area or maintenance or repair of the path or trail itself. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with Article X, Section 4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Neighborhood's Responsibility. Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood Association having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. A Neighborhood Association shall maintain all landscaping on the common property of the Neighborhood Association, if any, and all landscaping lying between the boundary of such common property and any adjacent street. If any such Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Article X, Section 4 of this Declaration.

Section 4. Party Walls and Party Fences.

(a) General Rules of Law to Apply. Each wall or fence built as a part of the

original construction on the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

(c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the wall or fence may restore it, and if the other Owner or Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(e) Arbitration. In the event of any dispute arising concerning a party wall or fence, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other.

Article V

Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk property insurance, if reasonably available, for all, insurable improvements on the Common Area. 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 one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to property insurance on the Common Area, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket all-risk property insurance, if reasonably available, on properties within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate and shall provide coverage for the full

replacement cost of all structures to be insured. The costs thereof shall be charged to the Owners of Units within the benefited Neighborhood as a Neighborhood Assessment, as defined in Article I hereof.

Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, if any.

The Board shall also obtain a general liability policy covering the Area of Common Responsibility, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The general liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit, or an aggregate limit of not less than Three Million (\$3,000,000.00) Dollars.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1; provided, in the discretion of the Board of Directors, premiums for insurance on Exclusive' Common Areas may be included in the Neighborhood Assessment of the Neighborhood(s) benefited thereby. The policies may contain a reasonable deductible, and, in the case of property 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. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in subsection (b) below. 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) All policies on the Common Area shall be for the benefit of the Association and its Members; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood, and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the

Association on the Village II Properties shall be vested in the Association'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.

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

(e) All property 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 Kansas City, Kansas area.

(f) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

- (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, 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 canceled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;
- (iv) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;
- (v) a statement that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- (vi) a statement that the Association 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 Association's funds, if reasonably available, and flood insurance, if required. 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 assessments on all Units, plus reserves on hand. Fidelity 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 Association of any cancellation, substantial modification, or non-renewal.

In addition to securing insurance as required by this Section, the Board shall require and monitor from all contractors retained by the Association certificates of insurance evidencing workers compensation, automobile liability, general liability and products/completed operations coverage, if and to the extent that the Board reasonably determines that such policies would be applicable to the contractor's activities under the contract, with policy limits in such amounts and provided by insurance companies of such financial size and rating as the Board deems prudent under the circumstances. The Association shall make every attempt to be designated as an additional named insured on the aforementioned policies with the insurance company providing thirty (30) days prior written notice of any cancellation, substantial, modification or non-renewal. Notwithstanding the above, the Board may, but shall not be obligated to, require such evidence of insurance with regard to any contract which involves payments to the contractor of less than Five Thousand (\$5,000.00) Dollars in any year, unless the contract involves the performance of an inherently dangerous activity.

Section 2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk property insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article V for insurance on the Common Area, unless either the Neighborhood Association for the Neighborhood in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard.

A Neighborhood may have more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units within the Neighborhood and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other peril to all or any part of the Village II Properties covered by insurance written in the name of the Association, 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 Village II Properties. Repair or reconstruction, as used

in this paragraph, means repairing or restoring the Village II Properties to substantially the same condition in which they existed prior to the fire or other peril, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area or to the common property of any Neighborhood Association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five (75%) percent of the total vote of the Neighborhood Association whose common property is damaged, if common property of a Neighborhood, shall decide within sixty (60) days after the damage or destruction not to repair or reconstruct. 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 Association 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 Common Area or common property of a Neighborhood 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 Common Area or to the common property of any Neighborhood Association shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Village II Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. 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. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association 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 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood 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 Voting Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments; provided, if the damage or destruction involves the common property of a Neighborhood, only the Owners of Units in the affected Neighborhood 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 Common Area or any part thereof, nor shall any Person acquiring any interest in the Village II Properties or any part thereof seek any judicial partition unless the Village II Properties have 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 Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least sixty-seven (67%) percent of the total Class "A" vote in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibit "A" or any property subject to annexation pursuant to Article VIII, Section 1, 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 Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area 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 described in Exhibit "A" of this Declaration or any property subject to annexation pursuant to Article VIII, Section 1, hereof, and Voting Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. 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 Common Area, 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 Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" 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, 2044, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property located in Johnson County, Kansas and owned by Declarant or any Affiliate of Declarant on the date this Declaration is recorded and/or any additional real property acquired by Declarant or any Affiliate of Declarant after the date this Declaration is recorded within a radius of two (2) miles from the 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 Voting Members, 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 said 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 Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association 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 Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant or any Affiliate of 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 Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant or any Affiliate of Declarant may convey to the Association 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 Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. 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 Village II Properties then owned by the Declarant or its Affiliates or the Association 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, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Cedar Creek Community.

Section 5. Cedar Creek Covenants. No Supplemental Declaration purporting to annex property to this Declaration and the jurisdiction of the Association shall be effective unless and until such property is made subject to the Declaration of Covenants for the Cedar Creek Community in accordance with the terms thereof.

Section 6. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant or any Affiliate of Declarant owns any property described in Exhibit "A" or Article VIII, Section 1, hereof.

Article IX

Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area 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 Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board action on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Village Properties conveyed to it by the Declarant or any Affiliate of Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Village II Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration; provided, the Board shall have no authority to promulgate rules governing use or access to any Community Properties or Private Recreational Parcels. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. 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 Association.

The Association shall not be obligated to take any action to enforce the provisions of this

Declaration, the By-Laws, or rules and regulations if the Board reasonably determines that the Association's position is not strong enough to justify taking such action or that the nature of the violation is minor or unobjectionable and thus does not warrant enforcement action. Such a decision shall not be construed as a waiver of the right of the Association to take enforcement action at a later time or under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, through the 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 to enforce ordinances and resolutions on the Village II Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association 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 Association shall permit the Declarant reasonable authority to designate sites within the Village II Properties 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 Association 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 Association; (b) Neighborhood Assessments for Neighborhood Expenses benefiting only Units within a particular Neighborhood or Neighborhoods; and (c) Special Assessments as described in Section 4 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Village II Properties, is deemed to covenant and agree to pay these assessments.

Base Assessments shall be levied equally on all Units. Neighborhood Assessments shall be levied equally against all Units in the Neighborhood(s) benefiting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such assessments for the use and benefit of particular Units shall be levied on a pro rata basis among the benefited Units, if so directed by the Neighborhood in writing to the Board of Directors. Special Assessments shall be levied as provided in Section 4 below. Notwithstanding the foregoing, no assessments shall be levied against any Unit until the earlier of: (a) the date such Unit is actually occupied by a resident, or (b) the date on which such Unit is conveyed to an Owner intending to occupy such Unit as such Owner's residence.

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 the Unit 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.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association 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 Neighborhood Assessment for delinquents. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment shall be paid in monthly installments.

No 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 Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association 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 Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

The Association 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 Common 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 of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared. The budget shall also include as a line item all amounts payable or estimated to be payable by the Association for the coming fiscal year to the Cedar Creek Community Services Corporation, which amounts shall have first priority for payment out of the income of the

Association.

The Base Assessment to be levied against each Unit for the coming year shall be set at a rate which the Board reasonably expects to be sufficient to cover the budgeted Common Expenses, taking into account any other sources of income available to the Association (e.g., Declarant subsidies, user fees, rental income, etc.) and any surplus from prior years. The Board may also consider any assessment income expected to be generated from additional property reasonably expected to become subject to partial or full assessment during the year. The Declarant may enter into an agreement with the Association to subsidize the Association's budget in order to reduce the rate of Base Assessments which might otherwise be levied by the Association during the period of such subsidy; provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years unless the Declarant otherwise agrees in writing. Notwithstanding the foregoing, the Declarant shall subsidize the budget for each Neighborhood Assessment until the later of: (a) the date determined by Declarant, or (b) the date on which at least 25% of the Units within such Neighborhood have commenced paying assessments, and, until such turnover date, all Neighborhood Assessments for such Neighborhood collected by the Association shall be remitted to the Developer for purposes of funding such Neighborhood budget.

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 Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Voting Members by Voting Members or their alternates representing at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Article II, Section 4, of the By-Laws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget 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 Neighborhood 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 Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as

appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefited thereby and levied as a Neighborhood Assessment.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood, and provided, further, the right to disapprove shall apply only to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget 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 Association may levy Special Assessments from time to time provided such assessment receives the affirmative vote or written consent of Voting Members or their alternates representing a majority of the total Class "A" votes in the Association and the affirmative vote or written consent of the Class "B" Member, if such exists. 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 Association may levy a Special Assessment against any Member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the chairman of the Neighborhood Committee (or Neighborhood Association president) and an opportunity for a hearing.

Section 5. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (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.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure. Any action to enforce the lien for unpaid assessments on a Unit must be commenced within five (5) years of the date of recording of a notice of lien for such unpaid assessments against such Unit.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf, (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

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 Association, 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 budget and notice of Base Assessments, as provided in Section 2 of this Article.

Section 7. Date of Commencement of Assessments. Subject to the second paragraph of Article X, Section 1 above, the obligation to pay the assessments provided for herein shall commence as to each Unit on the later of the following: (a) the first day of the first month following the date on which the Unit becomes subject to this Declaration; or (b) the effective date of the first budget adopted by the Board pursuant to Section 2 of this Article. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Section 8. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Kansas, 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 the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectable from Owners of all the Units, including such acquirer, its successors and assigns.

Section 9. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Assessment per Unit for that year as determined by the Board. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

Section 10. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

- (a) all Common Area;
- (b) all Private Recreational Parcels;
- (c) all Community Properties;
- (d) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any; and
- (e) all property owned by Declarant or any Affiliate of Declarant that holds the property for development purposes.

Article XI

Architectural Standards

No construction (which term shall include, without limitation, clearing, excavation, grading, and other site work), no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees or shrubs (other than those which are permitted to be removed pursuant to Article XII, Section 15 hereof) shall take place except in strict compliance with this Article and the provisions of Article XVI, Section 5, until the requirements below have been fully met, and until the approval of the appropriate committee has been obtained pursuant to Sections 1 and 2 below. Notwithstanding the above, the NCC may permit clearing of underbrush as necessary to survey property prior to approval of plans and specifications as required herein, provided a written request for such authorization is submitted to the NCC prior to commencing such clearing. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full to review any application.

All dwellings constructed on any portion of the Village II Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect.

This Article shall not apply to construction or improvements or modifications to the

Common Area by or on behalf of the Association, nor to any such activities undertaken by Declarant within the Village II Properties.

The Board of Directors shall have the authority and standing on behalf of the Association to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 1. New Construction Committee. The New Construction Committee (NCC) shall have exclusive jurisdiction over all original construction on any portion of Village II Properties. Until one hundred (100%) percent of the Village II Properties have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, which shall consist of at least three (3), but no more than five (5) persons. There shall be no surrender of this right prior that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC in the same manner as provided in Section 2 of this Article for the Modifications Committee.

The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and review procedures. The design and development guidelines may vary by Neighborhood and may contain more stringent requirements for Units fronting on any lake or golf course. Copies shall be available from the New Construction Committee for review. The guidelines and procedures shall be those of the Association, and the NCC shall have sole and full authority to prepare and to amend them. It shall make the guidelines and procedures available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Village II Properties and such Owners, builders and developers shall conduct their operations strictly in accordance therewith. In the event that the NCC fails to approve or disapprove plans submitted to it, or to request additional information reasonably required, within forty-five (45) days after submission thereof, the plans shall be deemed approved.

Section 2. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto; provided, however, the MC may delegate this authority to the appropriate board or committee of any Neighborhood Association subsequently created or subsequently subjected to this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. Notwithstanding the above, the MC shall not take any action nor approve any plans inconsistent with the guidelines promulgated by the NCC.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with those of the NCC. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a Unit visible from outside the Unit shall be subject to approval hereunder. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

Section 3. No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 4. Variance. The NCC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 5. Compliance With Guideline. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the NCC or MC may be excluded by the Board from the Village II Properties without liability to any person, subject to the notice and hearing procedures contained in Article III, Section 22 of the By-Laws.

Article XII

Use Restrictions

The Village II Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association) as may more particularly be set forth in this Declaration and amendments hereto. Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Units and the Common Areas, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

Notwithstanding anything to the contrary contained in this Declaration, these use restrictions shall not apply to that portion of the Village II Properties, if any, owned and/or controlled by the Cedar Creek Community Services Corporation, (the "Community Properties"), and the Association shall have no authority to promulgate rules and regulations affecting the Community Properties except with the prior consent of the Cedar Creek Community Services Corporation.

Section 1. Signs. No sign of any kind shall be erected within the Village II 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 or otherwise in accordance with rules and regulations promulgated by the Board of Directors. If permission is granted to any Person to erect a sign within the Village II 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. Notwithstanding the above, no signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Village II Properties shall be permitted within the Village II Properties.

Section 2. Parking, Storage and Operation of Vehicles and Equipment.

(a) Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces or designated areas in which parking may or may not be assigned and then subject to such reasonable rules and regulations as the Board of Directors, or any Neighborhood having concurrent jurisdiction over parking areas within the Neighborhood, may adopt. The Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. Other than licensed cars and trucks, all vehicles and equipment, including but not limited to, tractors, boats and trailers, must be kept in garages or approved enclosures.

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board or by the Neighborhood having jurisdiction over parking areas within a particular Neighborhood. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Village II Properties except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board.

Notwithstanding the foregoing, service and delivery vehicles may be parked in the Village II Properties during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Areas. Contractors may not leave vehicles or trailers on a street or on any Village II Properties overnight, and may not leave any materials on a street 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 22 of the By-Laws.

(c) Operation. Motorcycles, motor bikes, mopeds and other motor vehicles, other than golf carts, shall be operated only on paved streets, unless otherwise approved by the Board of Directors. Operation of golf carts within the Village II Properties shall be restricted to paved streets and designated golf cart paths, subject to compliance with applicable law.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws 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, guests and invitees of any Unit. Every Owner shall cause all occupants 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 and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit 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 Village II Properties, except that dogs, cats, or other usual and common household pets may be permitted in a Unit up to a maximum number as determined by the Board but not to exceed the maximum number allowed under City of Olathe ordinance, and horses may be permitted in certain Neighborhoods designated by Declarant or the Board.

However, those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Village II 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. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Unit be confined on a leash held by a responsible person.

Section 5. Quiet Enjoyment. All portions of a Unit outside of enclosed structures shall be kept in a clean and tidy condition at all times, and nothing shall be done, maintained, stored or kept outside of enclosed structures on a Unit which, in the determination of the Board of Directors, causes an unclean, unhealthy or untidy condition to exist, is obnoxious to the eye; emits foul or obnoxious odors, or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants of other Units.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Common Areas, or on any portion of a Unit outside of an enclosed structure, which in the determination of the Board of Directors tends to cause embarrassment, discomfort, annoyance, or

nuisance to other persons using the Common Areas or the occupants of other Units. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Village II Properties, except with prior written approval of, and subject to rules promulgated by, the Board of Directors.

Section 6. Unightly or Unkempt Conditions. 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 Village II Properties.

Section 7. Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Village II Properties, including any Unit, without the prior written consent of the Board or its designee. The Declarant and/or the Association shall have the right, without obligation, to erect, install and maintain, or to permit a third party to erect, install and maintain, an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Village II Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

Section 8. Basketball Equipment, Clotheslines, Garbage Cans, Tanks, Etc.

One basketball goal (permanent or portable) will be permitted per Unit. Portable goals shall not be left unattended in any street right-of-way. Permanently installed goals shall not be attached to any structure on the Unit. Backboards must be of clear glass construction, mounted on a free-standing pole and painted black or a color to match the exterior residence. All basketball goal components must be maintained in good condition. No clotheslines or above-ground storage tanks shall be placed or kept outside of the dwelling on a Unit. Garbage and trash containers shall be kept inside the garage, or beside the residence in a location with proper screening as approved by the New Construction Committee or the Modifications Committee. Garbage and trash can be placed at the curb only on the appropriate trash collection day and must be promptly returned to the storage location after pickup. All rubbish, trash and garbage shall be stored in appropriate containers, regularly removed from the Village Properties and not allowed to accumulate thereon.

Section 9. Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No Unit shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years, except that the Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns.

Section 10. Firearms. The discharge of firearms within the Village II Properties is prohibited; and the shooting, discharging or operating of any air gun, air rifle, bow and arrow,

slingshot, or BB gun is also 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 Association shall not be obligated to take action to enforce this Section.

Section 11. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Unit.

Section 12. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Village II Properties shall be installed, constructed or operated within the Village II Properties unless prior written approval has been received from the NCC, Cedar Creek Community Services Corporation and the Board of Directors. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration. This Section 12 shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article VIII, Section 1.

Section 13. Tents, Trailers and Temporary Structures. Except as may be permitted by the Declarant or the NCC during initial construction within the Village II Properties, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Village II Properties. Tents or awnings may be placed on the Common Areas only if and for the duration approved by Cedar Creek Community Services Corporation, or on a Unit only if and for the duration approved by the Board of Directors.

Section 14. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except with prior approval of the Modifications Committee in accordance with Article XI hereof. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow; provided, drainage and water flow shall not be altered in any manner which would unreasonably interfere with the use of any Unit not owned by the Declarant, Septic tanks and drain fields are prohibited on the Properties.

Section 15. Tree Removal. No tree, living or dead, with a diameter of four (4) inches or more (as measured six (6) inches from ground level) can be removed unless approved in accordance with Article XI of the Declaration. Removal of shrubs and pruning of trees with a diameter of four (4) inches or more requires the same approval.

Section 16. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 17. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Village II Properties, except for temporary lines as required during

construction and high voltage lines if required by law or for safety purposes.

Section 18. Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

Section 19. Lighting. Except for seasonal Christmas decorative lights, which may be displayed between Thanksgiving Day and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Village II Properties. Exterior sculpture, fountains, flags; and similar items must be approved in accordance with Article XI of this Declaration.

Section 21. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Unit unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

Section 22. Lakes, Ponds and Water Bodies. All lakes, ponds, and streams within the Village II Properties, if any, 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 lakes, ponds or streams. Use of Shadow Lake shall be subject to such restrictions as are contained in the Community Declaration. This Section shall not apply to prohibit use by the owner of a Private Recreational Parcel of lakes, ponds, or streams within the Private Recreational Parcel. The Association 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, or streams within the Village II Properties. No docks, piers or other structures shall be constructed on or over any body of water within the Village II Properties, except such as may be constructed by the Declarant or the Association.

Section 23. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Village II Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 24. Fences. No dog runs, animal pens or other enclosures specifically designed and used to contain dogs shall be permitted on any Unit., except as approved in accordance with Article XI of this Declaration. No hedges, walls, or fences of any kind shall be permitted on *any* Unit except as approved in accordance with Article XI of this Declaration.

Section 25. Business Use.

- (a) No trade or business, other than a child care business in compliance with

subsection (c) below, may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not readily apparent or readily detectable by sight, sound or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Village II Properties; (iii) the business activity does not involve door-to-door solicitation of residents of the Village II Properties; (iv) the business activity does not noticeably increase traffic or the number of vehicles parked within the Village II Properties above the average level of other Units in the area as a result of regular and frequent visitation of the Unit by clients, customers, suppliers, employees or other business contacts; and (v) the business activity is consistent with the residential character of the Village II Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Village II Properties, as may be determined in the sole discretion of the Board. A business activity satisfying these limitations may employ no person(s) to work in the dwelling on the Unit other than family members residing in the Unit. Any vehicle used by such employee shall be parked only in the garage or driveway serving the Unit and shall be subject to the restrictions set forth in Section 2 of this Article XII.

(b) 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 undertaken on an ongoing basis 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 full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section. This Section shall not apply to the Private Recreational Parcels nor to any activity conducted by the Declarant or with the Declarant's consent with respect to the development and sale of the Village II Properties or the Declarant's use of any Units which it owns within the Village II Properties, including the operation of a timeshare or similar program.

(c) Notwithstanding the above, nothing in this Section shall preclude an Owner or occupant residing in a Unit from conducting a child care business in such Unit, provided that the operator submits an application to the Association in such form as the Board may require and provided such business complies with all limitations set forth in this subsection (c). A "child care business" for the purposes of this Declaration, is defined as providing supervision and care for two or more persons who are unrelated to the care giver and who do not permanently reside in the Unit in exchange for any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(i) Compliance with Local Law. The child care business shall comply with all applicable state and local laws and licensing requirements, if any.

(ii) Insurance. The operator of the child care business shall obtain and maintain in effect at all times liability insurance in such amounts as the Board and the Cedar Creek Community Services Corporation may specify, insuring against all claims for personal injury or death arising out of the operation of the child care

business, the presence of the children cared for within the Village II Properties, and their use of any facilities maintained by the Association or the Cedar Creek Community Services Corporation. Such insurance policies shall name the Association and the Cedar Creek Community Services Corporation as additional insureds and, upon request, the operator shall provide certificates evidencing such insurance to the Association and the Cedar Creek Community Services Corporation.

(iii) Limitation on Number of Children. The child care business shall not provide care or supervision for more than six children under the age of 16 at a time, including all children under the age of 16 who permanently reside in the Unit.

(iv) Limitation on Employees. No person who does not permanently reside in the Unit shall be employed in the Unit as a care giver or otherwise to assist in operation of the child care business.

(v) Limitation on Hours of Operation. The child care business shall be conducted only Monday through Friday between the hours of 6:30 a.m. and 6:30 p.m., unless otherwise approved by the Board.

(vi) Operational Rules. The Board and the Cedar Creek Community Services Corporation are specifically authorized to adopt rules regulating child care operations within the Village II Properties, including rules limiting parking of vehicles, traffic flow, and use of recreational facilities in connection with child care businesses, in order to minimize the impact of such businesses upon any portion of the Village II Properties.

Section 26. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Village II Properties except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association and the owners of Private Recreational Parcels shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 27. Golf Carts. No golf carts shall be operated within the Village II Properties, except within a Private Recreational Parcel, if any, operated as a golf course and related facilities, and in all events in compliance with applicable law.

Section 28. Leasing of Units.

(a) Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) Leasing Provisions.

(i) General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than one (1) year, except with the prior written consent of the Board of Directors. Notwithstanding this limitation on term, Units in Neighborhoods consisting solely of rental apartments may be leased for terms of less than one (1) year; provided, no lease shall have an initial term of less than thirty (30) days without the prior written approval of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

(ii) Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants 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 and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

(iii) Additional Requirements. Unit Owners shall be obligated to screen renters according to industry standards for residential tenancies. The lease shall mandate compliance with all Covenants, Restrictions, By-Laws, Rules and Regulations governing the Village Properties. The names of all persons who will occupy the house shall be provided to the Association within 5 days of moving into the house. A copy of the executed lease shall be furnished to the Association prior to the commencement of the tenant's occupancy of the home. A current mailing address and telephone number for the Owner must be kept on file at the on-site Property Management Office. The on-site Property Management Office must be notified within five (5) days of a Tenant vacating the property.

Section 29. 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 Village II Properties 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 XIII **General Provisions**

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Village II Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Village II Properties 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, 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; or (e) necessary to comply with Kansas law; 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 this Declaration for the development as part of the Village II Properties, the Declarant may unilaterally amend this Declaration for any other purpose, provided the Amendment has no material adverse effect upon any right of any Owner.

Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven (67%) percent of the total Class "A" votes in the Association, including sixty-seven (67%) percent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. In addition, the approved requirements set forth in Article XIV hereof shall be met, if applicable. Notwithstanding the above, 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 an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the 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 Association 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 Association (except to the extent that such officers or directors may also be Members of the Association), and the Association 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 Association 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 and for maintenance of such encroachments, between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units or any Unit and any Private Recreational Parcel 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 Association.

Section 5. Easements for Utilities, Etc.

(a) There are hereby reserved unto Declarant, so long as the Declarant or any Affiliate of Declarant owns any property described on Exhibit "A" or in Article VIII, Section 1, of this Declaration, the Association, and the designees of each (which may include, without limitation, Johnson County, the City of Olathe, and any utility), access and maintenance easements upon, across, over, and under all of the Village II Properties as reasonably necessary for the purpose of 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, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Village II Properties. Notwithstanding anything to the contrary herein, these easements shall not entitle the holders to construct or install any of the foregoing systems, facilities or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of these easements shall promptly be repaired. The exercise of these easements shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant thereof. Nothing in this Section 5(a) shall give any person a right to enter the dwelling on a Unit without the permission of the Owner or occupant of the Unit.

(b) There are also hereby reserved for all utility providers easements over the

Village II Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining meter boxes, who may enter onto Units for such purposes without prior notice; provided, the exercise of said easements shall not extend to permitting entry into the dwelling on any Unit.

(c) Notwithstanding anything to the contrary contained in this Section 5, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Village II Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Section 6. Easement for Golf Balls. Every Unit and the Common Area and the common property of any Neighborhood are burdened with an easement permitting golf balls unintentionally to come upon the Common Area, Units or common property immediately adjacent to the golf course and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer will seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall the Association be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement.

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. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association rules; provided, nothing herein shall authorize any person to enter any dwelling or other building constructed on a Unit without permission of the Owner, except that entry may be had into structures other than single family detached dwellings if necessary to avoid an imminent threat of personal injury or property damage. This right may be exercised by the Association's Board of Directors, any agent or employee of the Association acting with the permission of the Board of Directors, and all police, fire and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, such entry as is authorized hereunder shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon a Unit to perform maintenance or cure any condition which may increase the possibility of a fire or other hazard, in the event an Owner fails or refuses to perform such maintenance or cure such condition within a reasonable time after request by the Board.

Section 9. 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 10. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Voting 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 Association to the contrary, a Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five (75%) percent of all Members of the Neighborhood represented by the Voting Member. This Section shall not apply, however, to (a) actions brought by the Association 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 Association 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 11. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Neighborhood and the Association may, 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, rule's and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Neighborhood shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

Section 12. Use of the Words "Cedar Creek". No Person shall use the words "Cedar Creek" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the words "Cedar Creek" in printed or promotional matter where such term is used solely to specify that particular property is located within the Cedar Creek Community and the Association shall be entitled to use the words "Cedar Creek" in its name.

Section 13. 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 Association. 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 Association or, in a proper case, by any aggrieved Unit Owner or Owners.

Section 14. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Village II Properties designed to make the Village II Properties safer than they otherwise might be. NEITHER THE CEDAR CREEK COMMUNITY SERVICES CORPORATION, THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE VILLAGE II PROPERTIES, HOWEVER, AND NEITHER THE CEDAR CREEK COMMUNITY SERVICES CORPORATION, THE ASSOCIATION, 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 CEDAR CREEK COMMUNITY SERVICES

CORPORATION, THE ASSOCIATION, THEIR RESPECTIVE BOARDS OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE NEW CONSTRUCTION AND MODIFICATIONS COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE NEW CONSTRUCTION OR MODIFICATIONS COMMITTEES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS 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 CEDAR CREEK COMMUNITY SERVICES CORPORATION, THE ASSOCIATION, THEIR RESPECTIVE BOARDS 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 CEDAR CREEK COMMUNITY SERVICES CORPORATION, THE ASSOCIATION, THEIR RESPECTIVE BOARDS 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 FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE VILLAGE II PROPERTIES.

Section 15. Notice of Sale or Transfer of Title. In the event that *any* Owner desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Board of Directors at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of assessments, notwithstanding the transfer of title to the Unit.

Section 16. Enforcement. Subject to the requirements of Article III, Section 22 of the By-Laws, the Association, acting through the Board of Directors, and any aggrieved Unit Owner, shall have the right to enforce the terms of this Declaration, the By-Laws, the rules and regulations of the Association or any decision of the Association made pursuant to the foregoing.

Article XIV
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Village II Properties. 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 Association (such request to state the name and address of such holder, insurer, or guarantor and the 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 Village II Properties 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 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 Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; 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 Voting Members representing at least sixty-seven (67%) percent of the total Association vote entitled to be cast thereon consent, the Association 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 Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area 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 an Owner of a Unit (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Village II Properties regarding assessments for Neighborhoods or other similar areas 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 Common Area (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 Common Area 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 Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

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

(a) Any restoration or repair of the Village II 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 terminate the Association 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 termination of the Association 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 Voting Members representing at least sixty-seven (67%) percent of the Class "A" votes 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 held by an eligible holder appertain, shall be required to terminate the Association.

(b) The consent of Voting Members representing at least sixty-seven (67%)

percent of the Class "A" votes 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 held by an eligible holder appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association, 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 Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of the Village II Properties;
- (vii) expansion or contraction of the Village II Properties or the addition, annexation, or withdrawal of Village II Properties to or from the Association;
- (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 Association 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 Common Area.

Section 6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association 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 Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 8. Applicability of Article XIV. 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 Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Article XV **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, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area 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 such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

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 Village II Properties 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 twenty (20) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written

statement that all sales activity has ceased.

Article XVI

Private Recreational Parcels

Section 1. General. Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Recreational Parcel. Rights to use the Private Recreational Parcels, if any, will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Recreational Parcels. The owners of the Private Recreational Parcels shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Recreational Parcels, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether.

Section 2. Conveyance of Private Recreational Parcels. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any other Person with regard to the construction, continuing ownership, or operation of the Private Recreational Parcels as depicted upon the Master Land Use Plan, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment hereto executed or joined into by the Declarant. Further, the ownership or operational duties of and as to the Private Recreational Parcels may change at any time and from time to time by virtue of, but without limitation: (a) the sale or assumption of operations of the Private Recreational Parcels by/to an independent Person, (b) the conversion of the Private Recreational Parcels membership structure to an "equity" club or similar arrangement whereby the members of the Private Recreational Parcels or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Private Recreational Parcel(s), or (c) the conveyance, pursuant to contract, option, or otherwise, of the Private Recreational Parcels to one or more affiliates, shareholders, employees, or independent contractors of Declarant. As to any of the foregoing or any other alternative, no consent of the Association, any Neighborhood, or any Owner shall be required to effectuate such transfer. Notwithstanding the above, under no circumstances shall the Declarant convey any Private Recreational Parcel to the Association and no Owner shall have any right or interest in any Private Recreational Parcel by virtue of ownership or occupancy of a Unit.

Section 3. Rights of Access and Parking. The Private Recreational Parcels and their members (regardless of whether such members are Owners hereunder), their guests, invitees, and the employees, agents, contractors, and designees of the Private Recreational Parcels shall at all times have a right and non-exclusive easement of access and use over all roadways located within the Village II Properties reasonably necessary to travel from/to the entrance to the Village II Properties to/from the Private Recreational Parcel(s), respectively, and, further, over those portions of the Village II Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Recreational Parcel(s). Without limiting the generality of the foregoing, members of the Private Recreational Parcels and permitted members of the public shall have the right to park their vehicles on the roadways

located within the Village II Properties at reasonable times before, during, and after golf tournaments and other similar functions held by/at the Private Recreational Parcels. The Declarant and the Association shall have the right, without the need for membership approval, to grant to the foregoing parties such further easements of access over portions of the Common Areas as they may deem necessary or desirable to the intended use of the Private Recreational Parcels, provided such easements do not unreasonably interfere with the intended use of the Common Areas.

Section 4. Assessments. The owners of the Private Recreational Parcels shall not be obligated to pay any assessments hereunder; provided, the Association may enter into a contractual arrangement or covenant to share costs with the owners of any Private Recreational Parcel whereby such owner will contribute funds for, among other things, a higher level of Common Area maintenance.

Section 5. Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Recreational Parcels, no amendment to this Article, and no amendment in derogation hereof to any other provisions of this Declaration, may be made without the written approval thereof by two-thirds (2/3) of the owners of the Private Recreational Parcels subject to this Declaration. The foregoing shall not apply, however, to amendments made by the Declarant.

Section 6. Jurisdiction and Cooperation. It is Declarant's intention that the Association and the Private Recreational Parcels shall cooperate to the maximum extent possible in the operation of the Village II Properties and the Private Recreational Parcels. Each shall reasonably assist the other in upholding the Community-Wide Standard. Except as specifically provided herein or in the By-Laws, the Association shall have no power to promulgate rules and regulations affecting activities on or use of the Private Recreational Parcels without the prior written consent of the owners of all the Private Recreational Parcels.

Article XVII

Cedar Creek Community Services Corporation

Section 1. General. Every Owner, by acceptance of a deed to a Unit within the Village II Properties, acknowledges that such Unit is subject to the Cedar Creek Covenants recorded in the Johnson County, Kansas, Public records, in addition to this Declaration, and that use of the Unit and other properties within the Cedar Creek is subject to the Cedar Creek Covenants and the rules and regulations promulgated by the Cedar Creek Community Services Corporation.

Section 2. Jurisdiction and Cooperation. The Association shall be a member of the Cedar Creek Community Services Corporation and shall have all of the rights and obligations conferred and imposed upon it pursuant to the Cedar Creek Covenants and the Articles of Incorporation and By-Laws of the Cedar Creek Community Services Corporation, including the obligation to pay a portion of the common expenses of Cedar Creek Community Service Corporation and to participate on its board of directors. The Association shall cooperate with the Cedar Creek Community Services Corporation in performing their respective responsibilities under this Declaration and the Cedar Creek Covenants.

Section 3. Easements to Community Services Corporation. The officers, agents, employees, and contractors of Cedar Creek Community Services Corporation shall have a non-exclusive easement in and upon the Village II Properties for the purpose of performing and satisfying its duties and obligations as set forth in the Cedar Creek Covenants.

Section 4. Enforcement Action. A breach of any of the limitations, restrictions, conditions, or covenants set forth in this Declaration, or the continuing violation thereof, or the failure of the Association to properly perform its maintenance responsibilities under this Declaration, may be enjoined, abated, or remedied by Cedar Creek Community Services Corporation upon the majority vote of its Board of Directors, in accordance with its By-Laws. The failure of Cedar Creek Community Services Corporation to take action to enforce any of the limitations, restrictions, conditions, or covenants contained herein shall not constitute a waiver of the right to enforce the same thereafter, and no liability shall be imposed on or incurred by Cedar Creek Community Services Corporation as a result of such failure. The prevailing party in any action at law or in equity instituted by Cedar Creek Community Services Corporation hereunder shall be entitled to all costs incurred in connection therewith, including, without limitation, reasonable attorney's fees.

Section 5. Dispute Resolution. Cedar Creek Community Services Corporation may, but shall not be obligated to, exercise jurisdiction over and act as an arbiter with respect to any dispute between the Association and any other owners association within the Cedar Creek Community, as specified in the Declaration of Covenants for the Cedar Creek Community.

Section 6. Amendment. No amendment to this Declaration which materially affects the rights or interests of Cedar Creek Community Services Corporation shall be valid or effective unless approved in writing by the Board of Directors of Cedar Creek Community Services Corporation.

Section 7. Superiority of Cedar Creek Covenants. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of the Declaration of Covenants for the Cedar Creek Community; provided, however, in the event of conflict between or among the provisions of this Declaration, the By-Laws, Articles of Incorporation, or rules and regulations of the Association and the Declaration of Covenants for Cedar Creek Community, or the Articles of Incorporation or By-Laws of Cedar Creek Community Services Corporation, the latter shall control. The foregoing priorities shall not prevent enforcement by the Association of provisions or rules which are more restrictive than those contained in the Cedar Creek Covenants.

IN WITNESS WHEREOF, the undersigned officers of Cedar Creek Village II Association, Inc., hereby certify that the foregoing Declaration was duly approved by the requisite vote of the membership and eligible holders, if any, of Mortgages on Units, as of this 24 day of February, 2016.

CEDAR CREEK VILLAGE II ASSOCIATION, INC.,
a Kansas not-for-profit corporation

By: [Signature]
Name: Ron Mather
Title: President
Attest: [Signature]
Name: Janet & Coyle
Title: Secretary

State of Kansas)
) SS
County of Johnson)

BE IT REMEMBERED that on this 24th day of February, 2016, before me, the undersigned, a Notary Public in and for said County and State, came Ron Mather, President, and Jan Coyle, Secretary, of Cedar Creek Village II Association, 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.

Patricia J. Stout
NOTARY PUBLIC

Patricia J. Stout
Print Name

Notary Public State of Kansas
Patricia J Stout
My Appt Exp 11-15-16

My Commission Expires: Nov. 15, 2016

[Signature Page to Declaration]

CONSENT OF DECLARANT

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 24 day of February, 2016.

CEDAR CREEK DEVELOPMENT COMPANY, INC.,
a Kansas corporation

By: [Signature]
Name: RONALD H. MATHER
Title: Pres

State of Kansas)
) SS
County of Johnson)

BE IT REMEMBERED that on this 24th day of February, 2016, before me, the undersigned, a Notary Public in and for said County and State, came Ron Mather, President, of Cedar Creek Development Company, Inc., a Kansas corporation, who is personally known to me to be the same person who executed the foregoing instrument in writing on behalf of said corporation, and such person 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.

[Signature]
NOTARY PUBLIC
PATRICIA J. STOUT
Print Name

Notary Public State of Kansas
Patricia J Stout
My Appt Exp 11-15-16

My Commission Expires: Nov. 15, 2016

[Signature Page to Declaration]

Exhibit A
Legal Description of Initial Property

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40, and Tracts A, B, C and D, HIDDEN LAKE ESTATES, FIRST PLAT, a subdivision in Olathe, Johnson County, Kansas.

Exhibit B
Initial Bylaws

BY-LAWS
OF
CEDAR CREEK VILLAGE II ASSOCIATION, INC.

- TABLE OF CONTENTS -

	<u>Page</u>
I. NAME, PRINCIPAL OFFICE, AND DEFINITIONS	1
1. Name	1
2. Principal Office	1
3. Definitions	1
II. ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES	1
1. Membership	1
2. Place of Meetings	1
3. Annual Meetings	1
4. Special Meetings	1
5. Notice of Meetings	2
6. Waiver of Notice	2
7. Adjournment of Meetings	2
8. Voting	3
9. Proxies	3
10. Majority	3
11. Quorum	3
12. Conduct of Meetings	3
III. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS	3
A. <u>Composition and Selection.</u>	3
1. Governing Body; Composition	3
2. Directors During Class "B" Control Period	4
3. Right To Disapprove Actions	4
4. Number of Directors	6
5. Nomination of Directors	6
6. Election and Term of Office	6
7. Removal of Directors and Vacancies	7
B. <u>Meetings.</u>	8
8. Organizational Meetings	8
9. Regular Meetings	8
10. Special Meetings	9
11. Waiver of Notice	9
12. Quorum of Board of Directors	9
13. Compensation	10
14. Conduct of Meetings	10
15. Open Meetings	10
16. Action Without a Formal Meeting	10

	<u>Page</u>
C. <u>Powers and Duties.</u>	11
17. Powers	11
18. Management	13
19. Accounts and Reports	13
20. Borrowing	14
21. Rights of the Association	14
22. Enforcement	15
23. Nonbinding Alternative Dispute Resolution.....	16
 IV. OFFICERS	 16
1. Officers,	16
2. Election, Term of Office, and Vacancies	17
3. Removal.....	17
4. Powers and Duties	17
5. Resignation	17
6. Agreements, Contracts, Deeds, Leases, Checks, Etc	17
7. Participation on Board of Community Services Corporation	17
 V. COMMITTEES	 18
1. General	18
2. Covenants Committee.....	18
3. Neighborhood Committees	18
 VI. MISCELLANEOUS	 19
1. Fiscal Year,	19
2. Parliamentary Rules	19
3. Conflicts	19
4. Books and Records	20
5. Notices	20
6. Amendment	20
7. Effect of Applicable Law.....	21

BY-LAWS
OF
CEDAR CREEK VILLAGE II ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be Cedar Creek Village II Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Kansas shall be located in Johnson County. The Association 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 Association 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, Conditions, and Restrictions for Cedar Creek Village II (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B," 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 Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. 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 Association'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 Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by

Voting Members representing at least ten (10%) percent of the total Class "A" votes of the Association. 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 Voting Members shall be delivered, either personally or by mail or email, to each Voting Member entitled to vote at such meeting and to the Class "B" Member, not less than ten (10) nor more than sixty (60) 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. Said notice must be by email, certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Secretary of the Association, as it may change from time to time, which notice shall comply with the Board of Directors notice of meetings including 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.

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 Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid. If emailed, the notice of a meeting shall be deemed to be delivered when transmitted via email.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting 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 Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, 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 Voting Members in the manner prescribed for regular meetings.

The Voting Members present 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 Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five (25%) percent of the total Class "A" votes of the Association remain in attendance, 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.

Section 9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates.

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 in person or by alternate of the Voting Members representing a majority of the total vote of the Association shall constitute a quorum at all meetings of the Association.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, 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.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association 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 Members or spouses of such Members; provided, however, no person and his or her spouse may 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 Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control Period. Subject to the provisions of Section 6 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 all 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, any Affiliate of the Declarant, or builders holding title solely for purposes of development and sale; or

(b) 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 of Directors, any committee, Member, Director, Voting Member or any other person purporting to act on behalf of the Association 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, any committee, Member, Director, Voting Member or any other person purporting to act on behalf of the Association 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 of Directors, any committee, group of Members, Directors, Voting Group or Voting Members which purports to be acting on behalf of the Association. Said notice must be by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Secretary of the Association, as it may change from time to time, which notice shall comply with the Board of Directors notice of meetings including 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 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 of Directors, any committee thereof, or the Association. The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the members of the subject committee

and/or the Board of Directors. 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 Directors, such committee, the Association, or any individual Member of the Association, if Board, committee, or, Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents as follows:

(i) Minutes of Meetings. All meetings of the Board of Directors shall record a set of minutes by a duly appointed secretary for the meeting which shall constitute a record of the meeting. Said minutes shall include among other things a record of activities at the meeting, persons who spoke and the general content of the subjects on which such persons spoke, any motions made and by whom, whether the motion was seconded and by whom, any discussion on the motion and the general content of the discussion, the results of any votes on the motion and which persons voted in favor and against any said motion, including without limitation any proposed resolutions by the Board of Directors.

(ii) Approval of Minutes. After the secretary of the meeting has prepared the minutes of the meeting set out above, the minutes shall be circulated to all persons who voted on any proposed action at the meeting, including without limitation all Board members who attended any Board of Directors meeting. With regard to Board of Directors meetings, once the minutes for a meeting have been approved by the Board of Directors, the minutes shall be delivered to the Class "B" Member.

(iii) Separate Approval of Resolutions Required. Each action, policy or program, including, without limitation, the formation of any committee, which the Board intends to be the action of the Association, shall be made by a formal resolution duly voted on by the Board of Directors ("Board Resolution") as set out herein. Any Board Resolution that forms or creates a committee of the Association shall specify the names of the members of the committee.

(iv) Board Resolutions Numbered. Each Board Resolution shall set forth the precise language of the Board Resolution that was duly voted upon. A number shall be assigned to each Board Resolution which identifies the year of the meeting and the particular Board Resolution (i.e. 2014-1 which designates the year and Board Resolution.)

(v) Submission of Board Resolutions. Within ten (10) days of the approval of the precise language of a Board Resolution, the Board shall send a copy of the recommended Board Resolution to the Class "B" Member by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time. Upon receipt by the Class "B" Member of recommended Board Resolution, the Class "B" Member shall have fifteen (15) days to disapprove any Board Resolution by signing the block "Disapproved". If the Class "B" Member exercises its right to disapprove as set forth above, the Class "B" Member shall notify the Secretary of the Association in writing of such disapproval, specifying the Board

Resolution which the Class "B" Member disapproves.

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 Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association 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 in the Association shall be not less than three (3) nor more than five (5), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association, with at least one (1) representative from each Voting Group. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled.

The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Voting Members, and for the director(s) to be elected by and from each Voting Group. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes. The Nominating Committee may recommend election of specific candidates whom the Nominating Committee determines to be most qualified.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "A" Members, other than the Declarant, any Affiliate of Declarant, or a builder holding title solely for purposes of development and sale, own 120 of the Units permitted by the Master Land Use Plan (including any amendments or annexations thereto permitted by the Declaration) or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect one (1), of the three (3) directors, who shall be an at-large director. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If

such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members, other than the Declarant, any Affiliate of Declarant, or a builder holding title solely for purposes of development and sale, own 240 of the Units permitted by the Master Land Use Plan (including any amendments or annexations thereto permitted by the Declaration), or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect two (2) of the five (5) directors, who shall serve as at-large directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within thirty (30) days after termination of the Class "B" Control Period, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect three (3) of the five (5) directors, who shall serve as at-large directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting occurs within thirty (30) days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) At the first annual meeting of the membership after the termination of the Class "B" Control Period, the directors shall be selected as follows: Five (5) directors shall be elected by the Voting Members representing both Class "A" and Class "B" Members, with an equal number of directors elected from each Voting Group and any remaining directorships filled at large by the vote of all Voting Members. Three directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the initial Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Each Voting Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Voting

Members may be removed, with or without cause, by the vote of Voting Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Voting Members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Members other than the Declarant. Upon removal of a director, the meeting may be continued for not less than seven (7) days but no more than fourteen (14) days. At the continued meeting, providing a quorum is present, a successor shall be elected by the Voting Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director. Nominations shall be made from the floor and all candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes. If a quorum is not present, the meeting shall once again be continued for not less than seven (7) days but no more than fourteen (14) days.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall be selected from the Voting Group represented by the director who vacated the position (or, if at-large, from all Voting Groups) and shall serve until the earlier of: (a) the expiration of the remainder of the term of such director, or (b) if a general election of directors is scheduled to occur not less than 60 days after the date of such appointment, the election of a new director to fill such vacancy at such general election.

B. Meetings.

Section 8. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

Section 9. 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. Notice of the time and place of the meeting shall be communicated to directors not less than five (5) 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.

The Class "B" Member shall have been given written notice of all meetings and proposed actions to be approved at meetings of the Board of Directors, Voting Group or Voting Members

which purports to be acting on behalf of the Association. Said notice must be by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Secretary of the Association, as it may change from time to time, which notice shall comply with 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.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association 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 Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) 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.

The Class "B" Member shall have been given written notice of all meetings and proposed actions to be approved at meetings of the Board of Directors, Voting Group or Voting Members which purports to be acting on behalf of the Association. Said notice must be by email, certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Secretary of the Association, as it may change from time to time, which notice shall comply with 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

Section 11. 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 be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. 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, and 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 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a Majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors.

Section 14. 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 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all owners of property within the Cedar Creek Community, but owners 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. Notwithstanding the foregoing, at each meeting of the Board, an opportunity will be provided for public comment by any Voting Member or owner of property within the Cedar Creek Community. In such case, the President may limit the time any Voting Member or owner may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Voting Members and owners, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc. Moreover, consistent with Article III, the Class "B" Member shall have the right and 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 Association, and the President nor the Board may limit the time the Class "B" Member may speak.

Section 16. Action Without a Formal Meeting. Prior to expiration of the Class "B" Control Period, any action to be taken at a meeting of the Board of Directors or any action that may be taken at a meeting of the Board of 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. Any such action taken shall be subject to the right of the Class "B" Member to disapprove as set forth in Article III, Section 3. After expiration of the Class "B" Control Period, any actions that are ministerial or to implement actions previously taken at a meeting of the Board may be taken without a

meeting, and only 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. The Secretary of the Board shall promptly give notice to all Voting Members and owners of property within Cedar Creek Community of any action taken by unanimous consent. Following any such action without a meeting, the Secretary of the Board of Directors shall give notice of such action to all owners of property within Cedar Creek Community, as required by law.

C. Powers and Duties.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association'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 Voting Members or the membership generally. Provided however, the Board's powers and duties are limited by the Class "B" Member's right to disapprove actions as set forth in Article III, Section 3.

The Board of Directors shall delegate by formal Board Resolution 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 Association 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 in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;

(b) making assessments to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(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 maintenance,

operation, repair, and replacement of the Association, 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 administer the Association; 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;

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

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these 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 Owners concerning the Association;

(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 the Association or its Members and not chargeable directly to specific Owners;

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

(m) making available electronically or otherwise, at such requesting party's expense, 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 Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and

(o) cooperating with Cedar Creek Community Services Corporation in the

performance of their respective responsibilities; and

(p) performing its obligations as a member of Cedar Creek Community Services Corporation under its articles of incorporation, its by-laws and the Declaration of Covenants for the Cedar Creek Community, including the obligation to pay assessments to Cedar Creek Community Services Corporation and the obligation to participate on its board of directors.

Section 18. Management. The Board of Directors may employ for the Association 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 powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 19. 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 Association 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 Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association 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 Association 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 Owners 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 (a monthly installment of the annual assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors); and

(g) an annual report consisting of at least the following shall be made available 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 may 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 compiled financial statements.

Section 20. 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 Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting 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 Association 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 Common Area without the affirmative vote or written consent, or any combination thereof, of Voting Members representing at least fifty-one (51%) percent of the Members other than the Declarant and the Declarant's nominees.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Association 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 Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within and without the Properties, including, without limitation, the Cedar Creek Community Services Corporation.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the period of Declarant control of the Board of Directors 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 22. 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 an Owner's right to vote or to use the Common Area 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 Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant 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 Association. 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 Owner 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, if any, 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,

written notice of appeal must be received by the manager, President or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. The Board of Directors may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commencing an action for a violation of the Declaration, these By-Laws, and the Association's Rules and Regulations, including whether to compromise any claim for unpaid assessment or other claim made by or against it. The Board does not have any duty to take enforcement action if it determines that, under the facts and circumstances presented: (i) the Association's legal position does not justify taking any or further enforcement action; (ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with law; (iii) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) it is not in the Association's best interest to pursue enforcement action. The Board's decision under subsection (ii) not to pursue enforcement under one set of circumstances does not prevent the Board from taking enforcement action under another set of circumstances, but the Board may not be arbitrary or capricious in taking enforcement action. Notwithstanding anything to the contrary herein contained, the Association, 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 Association 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.

Section 23. Nonbinding Alternative Dispute Resolution Before any judicial or administrative proceeding shall be commenced or prosecuted by an Owner against the Association, or by an Owner against another Owner pertaining to the Association, such Owner or Owners shall submit to nonbinding dispute resolution. Such Alternative Dispute Resolution shall be in two parts: (a) First, the parties shall meet face to face and attempt in good faith to settle the dispute through means of negotiation; (b) Second, the parties shall retain a Mediator licensed in the State of Kansas or a retired judge, the costs of which shall be borne equally by the parties, to attempt to resolve the dispute in good faith in accordance Kansas Supreme Court Rules 901, 902, and 903. If an Owner shall commence a judicial or administrative proceeding prior to undertaking nonbinding alternative dispute resolution, attorney fees may be awarded against said Owner in the proceeding for the failure to comply with this provision.

Article IV Officers

Section 1. Officers. The officers of the Association 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 Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting 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 Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association 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 Association. The President has 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. 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 Association 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.

Section 7. Participation on Board of Community Services Corporation. In addition to the officers specified in Section 1 above, the Board shall elect one (1) representative from among the members of the Board to serve on the board of directors of the Cedar Creek Community Services Corporation.

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 Board of 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. All actions of any committee shall be subject to the rights of the Class "B" Member to disapprove actions as set forth in Article III, Section 3 of these By-Laws. Notices of any such committee meetings shall be given to Voting Members and Owners as required by applicable law.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board of Directors pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) 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 Association and shall conduct all hearings held pursuant to Article III, Section 22 of these By-Laws.

Section 3. Neighborhood Committees. In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty-one (51%) percent of the Owners within the Neighborhood this number may be increased to five (5).

The members of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood at an annual meeting of such Owners. The first annual meeting of each Neighborhood shall be called within sixty (60) days after conveyance of fifty-one (51%) percent of the Units in the Neighborhood to Persons other than a builder or developer. The Owners of Units within the Neighborhood holding at least twenty percent (20%) of the total votes of Units in the Neighborhood, represented in person or by proxy or by absentee ballot, shall constitute a quorum at any meeting of the Neighborhood. The Owners of Units within a Neighborhood shall have the number of votes assigned to their Units in the Declaration. Committee members shall be elected for a term of two (2) years or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration and subject to approval by the Board. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors or the Association.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Sections 9, 10, 11, 12, 13, 14 and 15, of these By-Laws; provided, however, the term "Voting Member" shall refer to the Owners of Units within the Neighborhood and the term "Board of Directors" shall refer to the Neighborhood Committee. Each Neighborhood Committee shall elect a chairman (and vice-chairman to serve if the chairman is unable) from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Neighborhood.

Upon written request of ten percent (10%) or more of the Owners of Units within a Neighborhood, the Chairman of the Neighborhood Committee shall call a special meeting for the purposes set forth in the written request. The notice provisions set forth in Article III, Section 8 applicable to directors shall be followed, substituting the word "Owner" for "director" therein.

Any member of a Neighborhood Committee may be removed, with or without cause, by the vote of Owners holding a majority of the votes entitled to be cast for the election of such member. Any member whose removal is sought shall be given notice prior to any meeting called for that purpose and the proposed removal must be listed as an item in the notice for the meeting. Further, said member must be given an opportunity to speak at such meeting. Upon removal of a member as provided herein, a successor shall then and there be elected by the Owners. Nominations shall be made from the floor and all candidates shall have a reasonable opportunity to communicate their qualifications to the Owners and to solicit votes.

Article VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association 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 Association 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 Association, 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 Association or at such other place within the Properties 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 Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

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 a Member or Voting Member, at the address which the Member or Voting Member 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 Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association 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 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 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 Properties, 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 Owner.

Thereafter and otherwise, By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven (67%) percent of the total Class "A" votes in the Association, including sixty-seven (67%) percent of the Class "A" votes held by Members other than the Declarant, 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 an Owner consents to any amendment to these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the 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 7. Effect of Applicable Law. The foregoing bylaws shall be in all respects be governed by the provisions of the Kansas Uniform Common Interest Owners Bill of Rights Act (K.S.A. 58-4601 et seq.) ("CIOBRA"). To the extent any provision of these bylaws is contrary to or inconsistent with any mandatory provision of CIOBRA, such provision shall be deemed to be amended or modified such that it shall be in compliance and consistent with CIOBRA. To the extent any provisions of CIOBRA are not mandatory or provide minimums or maximums, and the provisions hereof are in compliance with such minimums or maximums, the terms of these bylaws shall control.

Certification

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Cedar Creek Village II Association, Inc. a Kansas corporation;

That the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the February 24, 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 24 day of February, 2016.

Secretary

