

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by COUNTRY SQUIRE HOMES ASSOCIATION, INC., a Missouri not-for-profit corporation, hereinafter referred to as "Association."

WITNESSETH: That,

WHEREAS, the original Declarant of this Declaration of Covenants, Conditions and Restrictions was ST. JOSEPH LANDCO, INC. which was the owner of certain tract of real property located and situated in St. Joseph, Buchanan County, Missouri, which tract includes certain real property described on that certain plat of COUNTRY SQUIRE, a subdivision in St. Joseph, Buchanan County, Missouri, filed for record on September 15, 1975, in the office of the Recorder of Deeds of Buchanan County, Missouri, at St. Joseph, in Plat Book 7, at Page 58, entitled COUNTRY SQUIRE, First Plat. The land described in said plat and in any and all future plats of COUNTRY SQUIRE, shall be hereafter referred to as the "Project"; and

WHEREAS, Declarant constructed or caused to be constructed within the Project certain living units on each Lot designated therein, which units are intended for and shall attempt to create an attractive and cohesive residential area known as COUNTRY SQUIRE for residential purposes; and

WHEREAS, Declarant constructed such units in different phases at different times, each phase being represented by and depicted on sequentially numbered plats of COUNTRY SQUIRE, which shall divide a part of the tract into lots and blocks and which shall describe the area therein in order to fully identify such area as being within the subdivision of COUNTRY SQUIRE, and, therefore, bound by this Declaration.

WHEREAS, to provide the means necessary to achieve such purposes, Declarant subjected the real property described in COUNTRY SQUIRE, First Plat hereinabove described, and in any and all future plats or amended plats of COUNTRY SQUIRE, to all of the covenants, conditions and restrictions hereinafter set forth.

WHEREAS, pursuant to Article XII, Section 3 of said Declaration of Covenants, Conditions and Restrictions filed of record in the Office of the Recorder of Deeds of Buchanan County, Missouri at St. Joseph on March 25, 1976, as Document No. 3506, in Book 1351 at Page 801, said Declaration may be amended at any time after twenty-two (22) years from the aforesaid date of recording of said Declaration by written instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots in Country Squire.

WHEREAS, Owners of not less than seventy-five percent (75%) of the Lots desire to amend said Declaration, which Declaration has been once previously amended by a document filed of record and entitled Amended Declaration of Covenants, Conditions and Restrictions at Book 1495, Page 327, in the Office of the Recorder of Deeds of Buchanan County, Missouri at St. Joseph on July 22, 1981 which Amended Declaration is unaffected hereby.

NOW, THEREFORE, in consideration of the premises and by virtue of the right of the owners to do so, the Owners do hereby amend said Declaration of Covenants, Conditions and Restrictions and do hereby declare that said Declaration shall henceforth read as follows:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Country Squire Homes Association, not-for-profit corporation, its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Country Squire Homes Association.

Section 3. "Building" shall mean a structure composed of Units.

Section 4. "Common Areas" shall mean all land, including any and all improvements, within the Project, not within a Lot, owned by the Association for the common use and enjoyment of the Owners, and the guests of each.

Section 5. "Common Area facilities" shall mean all property, real and personal, which is constructed or located on, in, under or above the Common Areas or which is used in connection therewith.

Section 6. "Declarant" shall mean and refer to St. Joseph Landco, Inc., its successors and assigns.

Section 7. "Declaration" shall mean and include this Declaration and any and all amendments thereto.

Section 8. "Lot" shall mean and refer to that plot of land shown upon a recorded plat, survey, or map of the Project, within a Block, upon which a Unit is or shall be constructed, including a patio, if any, and shall not include the Common Areas.

Section 9. "Member" shall mean and refer to the Owner or Owners of a Unit, or the occupant of each Unit if occupied by one other than the Owner thereof.

Section 10. "Owner" shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of fee simple title to any Lot which is subject to this Declaration and any amendments thereto, including contract sellers, but excluding any interest held merely as security, whether by mortgage or otherwise.

Section 11. "Project" shall mean and refer to the property described in Country Squire, First Plat, and all buildings and improvements thereon, and all such additions thereto as may hereafter be brought within it by a plat or amended plat of Country Squire and brought within this Declaration, originally or by amendments, and within the jurisdiction of the Association.

Section 12. "Unit" shall mean that portion of a building which is designed and used solely for single-family residential purposes, except as herein provided, including a patio, if any, which is constructed upon a Lot. The area thereof shall be computed from the outside wall, if any, or from the center of any common wall, to the center of the opposite common wall. Appurtenant thereto and included therein shall be membership in the Association as hereinafter set forth.

ARTICLE II

PERSONS BOUND BY THESE RESTRICTIONS

Section 1. Persons Bound. All persons, corporations or other entities who now or shall hereafter acquire any interest in the Project, the Common Areas, any Lot or Lots, or any Unit or Units shall be taken to hold, agree and covenant with the Declarant, the owner or owners of all Lots and Units and the owner or owners of any part of the Project, and with their heirs, successors and assigns, to conform to and observe the following covenants, conditions and restrictions as to the use thereof and the construction of residences and improvements thereon.

Section 2. Binding Effect. Declarant hereby declares for itself, its successors, assigns and future grantees, that the property described in COUNTRY SQUIRE, First Plat, filed for record on September 15, 1975, in the office of the Recorder of Deeds of Buchanan County, Missouri, at St. Joseph, in Plat Book 7, at Page 58, known as the Project, and all other property which may be added to the Project by sequentially numbered plats of Country Squire and subjected to this Declaration by amendment hereof in the future, shall be and is hereby restricted as to its use as set forth in this Declaration, and that all easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Project and shall run with and bind the land included in the Project, and any additions thereto, and made subject to this Declaration, originally or by amendments, and shall be binding upon and inure to the benefit of all persons or entities having any right, title

or interest in or to any Lot or Lots, any Unit or Units or any part thereof, all or any part of the Common Areas, or any other part of said Project, their heirs, successors and assigns.

Section 3. Homes Association. To insure the continuous availability of certain services and conveniences for Owners in Country Squire, and to provide the means for the creation and maintenance of a residential neighborhood possessing features of more than ordinary value, all Lots in Country Squire and all other land in the Project subject to these restrictions also shall be subject to the creation and administration of the Country Squire Homes Association, pursuant to the terms and conditions of its Articles of Incorporation and By-Laws.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Owner of each Lot, upon receipt of a deed therefor, shall be and become a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment, and the conveyance or other transfer to ownership of a Lot shall coincidentally transfers membership in the Association, together with all of the rights, benefits and burdens of such ownership as set forth in this Declaration and the Articles of Incorporation and By-Laws of the Association. At such time as ownership of the Lot ceases for any reason, membership of such Owner and all persons claiming any right or interest in such Lot pursuant to such ownership, shall also cease and automatically terminate. Members having an ownership interest in a Lot or Lots may vote at any meeting in person or by written proxy duly filed with the Secretary of the Association as more fully set forth in the By-Laws.

Section 2. Voting Rights. For the purposes of voting on any issue, the Association shall have one class of voting membership which shall consist of all Owners, except Declarant, unless Declarant shall continue to own or re-purchase a Lot or Lots in which case Declarant shall have one (1) vote for each such Lot, and each Owner shall otherwise be entitled to one (1) vote for each Lot owned, regardless of the number of Owners of any one Lot.

ARTICLE IV

PROPERTY RIGHTS AND USE OF LAND

Section 1. Common Areas Ownership. Ownership of the Common Areas and Common Area facilities shall be in the Association, provided that such ownership and the use thereof shall be and is hereby made subject to the easements and rights specified herein.

Section 2. Owners' Easements of Enjoyment. Subject to the provisions contained herein and the rules and regulations promulgated by the Association, every Owner shall have a right of use and an easement of enjoyment in and to the Common Areas as shown on any plat or amended plat of Country Squire made subject to this Declaration, and in and to the Common Area facilities. Said rights shall extend to all Owners, to members of the family of an Owner, and guests of an Owner, provided that said rights are subject to the covenants, conditions and restrictions contained herein and to any and all rules and regulations promulgated by the Board pursuant to the provisions hereof. Tenants, contract purchasers, members of their families and their guests shall not be considered as guests of the Owner and shall not have use of the Common Area Facilities. Each Lot shall have the benefit of, shall be subject to and shall have appurtenant thereto a nonexclusive easement in and to the Common Areas for ingress to and egress from such Lot and for parking, support, maintenance and repair of each such Lot and Unit thereon, and also in and to the Common Areas and Common Area facilities for use in accordance with their-respective purposes. If any part of the Common Areas shall encroach upon any Lot, or if any Lot or the Unit thereon shall encroach upon the Common Areas, such encroachment shall be allowed to continue and a valid easement for such encroachment and maintenance thereof shall and does exist so long as it does continue without further documentation.

Section 3. Restrictions. The foregoing rights and easements of enjoyment shall be subject to the following:

- (a) rules and regulations promulgated by the Board; and
- (b) the right of the Association through the Board to charge reasonable admission and other fees for the use of any recreational facility situated upon Common Areas to any person other than an Owner or a member of an Owner's family; and
- (c) the right of the Association to suspend the voting rights of any and all Owners, as well as the right to use the Common Area facilities, for any period during which any assessment against such Owner's Lot remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations, except that continuing infractions shall result in cumulative suspensions of any or all of such rights; provided, that an Owner's right of ingress to and egress from his Unit shall not be affected hereby; and
- (d) the right of the Association to dedicate or transfer any or all right, title and interest in and to all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by a vote of two-thirds (2/3) of the outstanding votes of each class or

members in the Association, which dedication or transfer shall be effective only when the appropriate instrument has been recorded, and provided that the said right shall be subject to Section 6, Article XII hereof; and

- (e) said rights and easements of enjoyment shall attach and extend only to that part of the Project which has become part thereof by a duly recorded Plat or Amended Plat and has come within the jurisdiction of the Association pursuant to an Amended Declaration.

Section 4. Additions to Project. Declarant hereby reserves unto itself, its successors and assigns, the sole right to prepare or to have prepared and to record or have recorded any Plat or Amended Plat and any Amended Declaration relating to any part of the tract now owned or hereafter acquired by Declarant for the purpose of adding such property to the Project, and, further, the sole right to determine when any of the foregoing shall take place; provided, that any such Amended Declaration shall relate only to property within the tract now owned or hereafter acquired by Declarant which is contiguous to the Project for the sole purposes of identification of the property within any such Plat or Amended Plat and the subjection of such property to the terms of this Declaration and the Articles of Incorporation and By-Laws of the Association; otherwise, any other amendment of this Declaration shall be subject to the terms of Section 6, Article XII hereof.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, or its agent, any and all assessments, whether annual or special, which shall be made, created or established as hereinafter provided in this Article V. The annual and special assessments, together with reasonable costs of collection thereof including, but not limited to, interest, costs and reasonable attorney's fees, shall be the personal obligation of the Owner or Owners of the Lot assessed, and shall also be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made until paid in full, except as set forth in Section 9 of this Article V. Declarant shall be required to pay monthly to the Association that amount by which the common expenses exceed the total of the monthly payments of the annual assessments made by Owners until the last Lot of the Project shall have been conveyed by Declarant; provided, that Declarant shall only be required to pay its pro rata share of any and all special assessments, which share shall be determined on

the basis of the actual total number of Units, or 124 Units if such actual number of Lots has not yet been ascertained.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the joint and mutual recreation, health, safety and welfare of the Owners and residents of Country Squire and for the improvement and maintenance of the Common Areas, Common Area facilities and exterior of the Units.

Section 3. Annual Assessments.

- (a) Establishment. On or before December 1st of each year, the Board shall estimate the total amount necessary to carry out the duties and powers of the Association as set forth in the By-Laws of the Association during the ensuing calendar year, which amount shall be called "common expenses." The Board shall then fix the amount of the annual assessment for each Unit. The common expenses shall include, without limitation, taxes and assessments on the Common Areas and Common Area facilities, assessments, insurance premiums, utility services, maintenance, repair and replacement of the Common Areas and Common Area facilities not covered by insurance and services in connection therewith, wages, accounting and legal fees, management fees, a reserve fund, and any other cost necessary to perform any and all duties and powers of the Association. Common expenses may also include any deficit incurred by the Association in any prior year and in the reserve fund; and, also, payments made to Owners pursuant to Article X hereof. After December 31 of the year in which the first Lot is conveyed to an Owner, the annual assessment may be increased in any one year by not more than ten percent (10%) of the assessment for the previous year, unless otherwise agreed by an affirmative vote of not less than two-thirds (2/3) of the outstanding votes of members present at a meeting duly called for that purpose. The Board shall annually on or before April 1 of each year report to the Owners concerning receipts and disbursements during the preceding year and may cause to be rendered a statement of receipts and disbursements certified by an independent certified public accountant.
- (b) Payment. The annual assessment shall be due on a monthly basis on the first day of each month, and shall be delinquent after the tenth day of the month. Written notice of the amount of the annual assessment shall be sent to the Owner of each Lot, provided that any omission or delay in determination, allocation or notification of the said assessment or the common expenses for any period shall not relieve any Owner from any obligation to pay such assessment. In the

event of failure to establish the annual assessment or estimate the common expenses, all Owners shall continue to pay the same monthly amount as in the prior year, provided that each and every Owner shall pay any deficiency in the said monthly amounts after determination of the current year's assessment within ten (10) days after notification thereof. All payments shall be made to the Board, or the managing agent or other agent upon direction of the Board, as agent for the Owners, which shall then make such payments to third parties as shall be required.

- (c) Excess or Shortage. Any amount accumulated in excess of the amount required for actual expenses and the reserve fund shall be credited to the next current year's monthly payment, until exhausted, according to each Unit's proportion of the said annual assessment. Any shortage resulting shall be charged in like proportion to each Unit in three (3) equal monthly installments, which shall be due in the three (3) months immediately following the rendering of the account. This subsection shall become effective only upon conveyance from Declarant of the last Unit of the Project.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, any extraordinary expenses which exceed the estimate of common expenses for that year or the reserve fund, established by Section 5 of this Article V or insurance proceeds or all of the foregoing, including without limitation a special assessment against the Unit or Units directly involved or affected for the cost of any reconstruction, repair or replacement with respect thereto, or against all Units for any reconstruction, repair or replacement of the Common Areas or Common Area facilities; provided, that such assessments shall not be used for any items covered by warranty of Declarant, which items shall be the responsibility of Declarant. The Board shall determine the amount of such special assessment and that referred to in Article VI, Section 2 hereof, and the date such assessment shall be due and shall give written notice thereof to the Owner or Owners of the Lots assessed.

Section 5. Reserve Fund. The Board shall establish and maintain a reserve fund in a reasonable amount for contingencies and replacements by the allocation and payment monthly thereto of an amount designated by the Board from time to time. Such fund shall be conclusively deemed to be a common expense. Such fund shall not be deposited in any interest bearing account. The reserve fund may be expended only for the replacement or repair of the Common Areas and Common Area facilities and for operating contingencies or other extraordinary expenditures of a non-recurring nature not originally included in the annual estimate

of common expenses; provided, that such fund shall not be used for any items covered by warranty of Declarant, which items shall be the responsibility of Declarant. Such expenditures shall be charged first against said reserve fund until exhausted and then as a special assessment, if necessary. The proportionate interest of any Owner in said reserve fund shall be considered appurtenant to his Lot and shall not be separately withdrawn, assigned, transferred or otherwise separated from that Lot, and shall be deemed transferred with such Lot upon conveyance thereof.

Section 6. Notice and Quorum for Action Authorized Under Section 3. Written notice of any meeting called for the purpose of increasing the annual assessments more than 10% above that of the previous year pursuant to Section 3 of this Article V shall be sent to all members not less than 30 days nor more than 60 days in advance of said meeting. The presence of members or of proxies entitled to cast not less than sixty percent (60%) of all the votes outstanding shall constitute a quorum. If the required quorum is not present, another meeting may be called within 60 days subject to the same notice requirement, at which the required quorum shall be one-half (½) of that required at the preceding meeting.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to any Lots subject to this Declaration on the date of the conveyance of any such Lot. The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year and the number of days remaining in the month of such conveyance. The Association shall upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid, and if not, the amount due and owing at that time.

Section 8. Effect of Nonpayment of Assessment; Remedies of the Association. Any annual assessment not paid as set forth in Section 3(b) of this Article V, and any special assessment not paid within thirty (30) days after the due date as established by the Board, shall be deemed delinquent, and the unpaid balance thereof shall bear interest from the due date at the rate of 10 percent per annum until paid in full which together with the reasonable costs of collection thereof including, but not limited to, costs and attorneys fees and expenses, shall become the personal obligation of the Owner or Owners, jointly and severally. Such right to reimbursement to the Association for interest, costs and attorneys fees and expenses shall continue for amounts incurred for such purposes post judgment and shall be added to amounts due the Association and deductible from the proceeds of any foreclosure sale upon certification of the amounts of such reasonable costs of collection post judgment to the officer making the distribution of the proceeds of such sale. The Association shall notify any first mortgagee of any such

default in payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien against, the Lot against which said Assessment is levied, or both. No Owner may waive or otherwise escape liability for payment of the assessments provided for herein by nonuse of the Common Areas or Common Area facilities or by abandonment of his Lot or Unit. The Association may reallocate any and all assessments which are due and unpaid equally among all existing Lots and assess such Lots with such amount only upon foreclosure of the first mortgage upon such Lot, or upon the granting of a deed or assignment or other proceeding in lieu of foreclosure, and each person or entity which acquires any right, title or interest in and to any Lot or Unit as a result of any of the foregoing hereby agrees and covenants to pay any such reallocated amount.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments, and reasonable costs of collection, provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon any Lot. Said assessment lien shall not be affected by sale or transfer of any Lot, except pursuant to mortgage foreclosure of any first deed of trust, purchase at a foreclosure sale as to any such first deed of trust or any proceeding in lieu of foreclosure for any such first deed of trust, in which case said Lot shall only be subject to a reallocated share of such assessment made pursuant to Section 8 of this Article V.

Section 10. Exempt Property. Any public authority to which any tract or tracts within the Project shall have been dedicated and which has accepted such dedication shall be exempt from the assessments created herein. However, no owner of any land or improvements devoted to dwelling use shall be exempt from any of said assessments.

Section 11. Declarant's Responsibility. So long as Declarant shall own a Lot or any other part of the Project, Declarant shall not use any part of the mechanism set forth in this Article V for the establishment or collection of assessments, whether annual or special, or the reserve fund, for the purpose of financing the cost of the original construction of any capital improvement in or on the Common Areas, any Common Area facility, or any Unit, nor for the purpose of avoiding any responsibility which Declarant may have with respect to any warranties given by it to an Owner.

ARTICLE VI

MAINTENANCE OF BUILDINGS AND AREAS

Section 1. Exterior Maintenance. In addition to maintenance of the Common Areas, the Association shall provide exterior maintenance upon each Unit as follows: paint, repair,

replace and care for roofs, gutters, downspouts, exterior building surfaces and other exterior improvements, excluding glass surfaces and patio areas, which shall be the sole responsibility of the respective Owner. In the event any portion of a building shall be partially or totally destroyed and then repaired or rebuilt, any minor encroachment on any part of the Common Areas or any other Lot due to such reconstruction shall be permitted and valid easements for such encroachments and the maintenance thereof shall be established and shall exist without further documentation.

Section 2. Owners' Acts. In the event that any maintenance, reconstruction, replacement or repair is required in, on or to the Common Areas, Common Area facilities, any Lot or any Unit due to the willful or negligent act of an Owner, his family, guests or invitees, the cost thereof shall be charged against such Owner and his Unit as a special assessment and shall be computed and collected as provided in Article V, hereof.

Section 3. Failure to Maintain. If any owner shall fail to maintain the interior of his Unit or the glass surfaces or patio area thereof in a manner satisfactory to the Board, or if any Owner shall permit or perform or fail to perform any act or activity which may cause damage to his Unit, another Unit, any Buildings, the Common Areas, or the Common Area facilities, or shall do anything which may be noxious or a nuisance or injure the reputation of the Project, the Association, upon approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Lot or into said Unit for repair and maintenance thereof, which entrance shall not be deemed, in any manner, trespass. The cost of any such repairs or maintenance, including but not limited to attorney's fees and expenses and costs reasonably incurred in enforcing this provision, shall be the personal obligation of the Owner or Owners of the unit where such repairs or maintenance occur and shall be charged against such Lot as a special assessment and shall be computed and collected as provided in Article V hereof.

Section 4. Easement for Maintenance. The Association, its employees and agents, reserve unto themselves and are hereby granted by each and every Owner a specific right, irrevocable license and easement to go on any Lot for the purposes of performing such maintenance and repairs referred to in this Article VI. In the event of an emergency or a threatened emergency on, in or about any Unit or Lot, a specific right, irrevocable license and easement are reserved by and are hereby granted by each and every Owner to the Association, its employees and agents, to go on any Lot or into a Unit, or both, without prior approval by the Association, the Board or the Owner, to prevent damage or injury or further damage or injury to such Unit, other Units, any Building, the Common Areas or persons in or on any of the foregoing. Any such entry shall not be deemed, in any manner, trespass.

ARTICLE VIIARCHITECTURAL CONTROL

To preserve the harmony of exterior design and location, no building, fence, wall or other structure shall be commenced, erected or maintained within the Project or upon any Lot, nor shall any addition, changes or alterations be made to the exterior, or any structural changes to the interior, of any Units or buildings, until the plans and specifications showing the nature, kind, shape, height, materials, exterior color scheme, and location of the same shall have been submitted to and approved in writing by the Board, or by an Architectural Committee ("Committee"). Any such Committee shall be composed of three (3) or more representatives appointed by the Board. In the event such plans and specifications are not approved or disapproved within thirty (30) days after submission, approval shall be deemed to have been given and this Article fully complied with.

ARTICLE VIIIPARTY WALLS

Section 1. General Rules of Law Apply. Each wall of each Unit which is placed on the dividing line between two or more Lots or Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall, as well as repair of any destruction or damage thereof or thereto by fire or other casualty, shall be borne by the Owners who share said wall in proportion to the length thereof for each such Unit, except that if such destruction or damage is caused by the negligent act or omission of an Owner or Owners, his family, invitee, guests or lessee, such owner or Owners shall bear the entire cost of repair thereof.

Section 3. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of repairing any damage resulting therefrom and of furnishing the necessary protection against such elements.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's heirs, assigns or successors in title.

Section 5. Arbitration. In the case of any dispute concerning a party wall, or under the provisions of this Article such dispute shall be determined pursuant to the most recent Uniform Arbitration Statute of Missouri, or, if not available, the statute in force upon the date hereof.

ARTICLE IX

INSURANCE

Section 1. Association. The Association shall obtain and maintain the following insurance:

- (a) Public liability insurance covering all of the Common Areas and Common Area facilities insuring the Association and the Owners of the Units as its and their interests may appear, in such amounts as the Association may determine from time to time, provided that the minimum amount of coverage shall be \$250,000 for personal injury to any one person, \$500,000 for any one incident, and \$50,000 for property damage for any one occurrence, together with \$1,000,000 umbrella coverage. Premiums for payment of such insurance shall be a common expense.
- (b) Fire and extended coverage, including vandalism and malicious mischief, insuring all Common Area facilities, including but not limited to improvements on and all personal property included in the Common Areas and/or owned or used by the Association, for full replacement value without deduction for depreciation, including demolition endorsement and workmen's compensation insurance, employer's liability insurance and such other insurance as the Association deems necessary. Premiums for such coverage and other expenses in connection therewith shall be a common expense.
- (c) Fidelity coverage, naming the Association as an obligee, protecting against any and all dishonest acts done or caused to be done by or on behalf of the officers, directors and employees of the Association and any other person or persons who handle or are responsible for handling funds belonging to the Association. Such bonds shall be written in an amount at least equal to 150% of the estimated annual common expenses of the Project, including the total amount of the reserve fund; shall contain a waiver of any defense based upon the exclusion from any definition of "employee" of any person or persons who are employed by or serve the Association without compensation or, alternatively, shall contain an affirmative statement that all such persons so serving or employed by the

Association shall be covered by such bond; and shall provide that such bond may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to the Association, which shall immediately notify the holders of all first mortgages of record of Lots in the Project. Premiums for such bonds shall be considered a common expense.

Section 2. All Owners shall obtain and maintain the following insurance on their respective Unit:

- (a) Fire and extended coverage insurance on its broadest terms, including vandalism and malicious mischief, and insurance against war damage and bombardment and damage by civil insurrection to the extent that such insurance may be obtained, such policy being at least a Homeowner's Form 3 or its equivalent, placed with a company authorized to do business in Missouri with a Best's rating of at least A+:AAA, for the full replacement cost, the valuation for said replacement cost being without depreciation, excluding portions of any improvements which are deemed uninsurable, with demolition endorsement. Such Policy shall also insure the interest of any and all mortgages of record. Copies of the policies of such insurance shall be kept on deposit with the Association and the Association shall be satisfactorily assured that the premium for such insurance is paid in full, and such policies shall name the Association as a loss payee thereunder, with any proceeds to be dealt with as hereinafter set forth. If any Owner shall default in performance of this requirement of procuring insurance, the Association may, but shall not be required to, procure such insurance in the name of such Owner and the cost thereof shall be assessed as a special assessment against such Owner's Lot, to be collected as provided in Article V. However, the Association shall not be liable for failure to obtain and maintain such policy or for nonpayment of premiums thereon. The Association shall annually make or have made a valuation survey and analysis to determine replacement costs for all of the then existing improvements for the ensuing year. The results of such survey and analysis shall be given to each Owner for each respective Unit if any adjustment in insurance amount is required thereby and any such adjustment shall be made immediately by each Owner affected and each Owner shall pay the premium for any increase in insurance amount. Each such policy shall also insure the contents of said Owner's Unit, including any additions, improvements, decorations, furnishings and personal property therein and personal property stored elsewhere.

- (b) Public liability insurance in such limits as the Owner may determine, which shall be included, at least in part, in the policy specified in Section 2(a) above. The Association shall not be liable for failure to obtain and maintain such policy or for nonpayment of the premium for such insurance.

Section 3. Loss Payable Provisions. All liability and worker's compensation insurance policies purchased by the Association shall be for the benefit of the Association, the Owners of Lots and their mortgagees, as their interests may appear. All policies of fire and extended coverage insurance covering the Units, as required by Section 2(a) of this Article IX, and Common Areas and Common Area facilities shall have the loss payable clause in favor of the Association as insurance trustee, the Lot Owner, and any mortgagees having any interest therein. Any and all proceeds for any loss shall be paid to the Association, or its successors, for the use and benefit of the Association, the Owners of Lots and their mortgagees, if any. The Association shall be the agent for all of the Owners and their mortgagees for the purpose of adjusting any loss and of negotiating and settling all claims against the insurance company involved and, accordingly, is authorized to execute releases on behalf of the Owners and their mortgagees in favor of any insurer after the settlement, except as elsewhere herein provided and except relating to claims against an Owner's liability insurance company. The duty of the Association shall be to receive the insurance proceeds as they are paid, and to hold said proceeds for the purposes herein stated. In the event loss and/or damage is sustained by any Unit or Common Area facility under any coverage, the Association shall determine all Owners and their mortgagees, if any, of record in the office of the Association, the name of any persons having a beneficial interest in the policy, the insurance company or companies involved, and the replacement cost of each involved Unit or Common Area facility. The Association shall then negotiate and settle all claims with the insurance company or companies involved and receive the insurance proceeds therefrom. No mortgages shall have the right to require or elect to apply any such insurance proceeds to the reduction of any mortgage or mortgages, or to assert any right or claim to any portion of the insurance proceeds, unless it be the excess of insurance payments over the replacement costs of the damaged Unit and other portions of the Project, and then only after the same is fully repaired and restored, or unless there is a decision by the Association not to rebuild.

Section 4. Utilization of Insurance Payments. In the event a casualty loss occurs to any Unit or any improvement within any of the Units, or to a Common Area facility, and the proceeds of the insurance are paid to the Association for such loss or damage, the same damage shall be repaired if proceeds of insurance plus special assessments, as hereinafter in this paragraph provided for, are sufficient to make the repairs in whole or in part, and the Association shall enter into a contract

with a reputable contractor authorized to do business in Buchanan County, Missouri, for such repair and restoration. The said property shall be restored as nearly as possible to the condition it was in prior to the damage, all of which shall be in accordance with the original plans and specifications of the original architects or those later employed by the Association. Any modifications of such plans must be approved in writing by the Association prior to any work being commenced thereon. The Association shall determine the amount of money required to rebuild or repair, and if there are insufficient funds in the hands of the Association to pay for such repairs, then the deficiency shall be borne by the Owners, being assessed equally to all Owners in the case of damage to any of the Common Areas or Common Area facilities, or to all of the Owners of damaged Units, unless such deficiency relates to a particular Unit, in which case such deficiency shall be paid by the Owner or Owners of such Unit. The total amount of any such deficiency shall be paid within ten (10) days of written notice therefor or, upon refusal or failure to so pay, it may be paid by the Association, which may then make a special assessment in the amount of the deficiency against such Lot or Lots, which assessment shall be subject to all of the provisions of Article V hereof. If the insurance proceeds are in excess of the amount needed for said repairs, then the Association may apply any such excess toward the reserve fund or any Common Areas cost in the case of a loss relating to the Common Areas or a Common Area facility, or a proportionate share thereof shall be paid to the Owner or Owners or his or their mortgagee in the case of a Unit loss. The Association prior to and during reconstruction and repair shall disburse moneys from the proceeds of the insurance award only for the repairs and restoration, and only upon the written invoice of the contractor, after inspection of the work by the Association. All moneys shall be paid by the Association directly to the contractor, subcontractor or materialman, or all or part of them jointly, who perform any such work or supply materials therefor, upon delivery to the Association of releases and waivers of liens from all parties who have furnished labor, services or materials for said repair and restoration. The contractor may be required to furnish a performance bond satisfactory to the Association making the Association the sole obligee for all repairs and restoration costing in excess of Five Thousand Dollars (\$5,000.00) at the discretion of the Association. The Association shall assume the responsibility of determining that all insurance funds have been properly paid for the repair and restoration.

Section 5. Expenses. The Association shall be reimbursed for any and all actual expenses incurred by it as a result of performing its duties designated in this Article IX at the time such expenses are so incurred, which amounts shall be charged as a common expense and shall be collected either as part of the annual assessments or as a special assessment as the Board may determine.

Section 6. Hazards. No Owner shall permit or suffer anything to be done or kept in, on or about his Unit which will or may tend to increase the insurance rates on his Unit or the Common Areas or Common Area facilities.

ARTICLE X

FIRST REFUSAL

Section 1. First Refusal to Association. If the Owner or Owners of any Lot, with the exception of Declarant, shall desire at any time to sell or lease his Lot or Unit, he shall first give the Association at least thirty (30) days' prior written notice of the proposed sale or lease, and all of the terms thereof. The Association shall have the right of first option to purchase or lease such Lot or Unit upon the same terms as those proposed in such notice. Any change in such terms or a new proposal of any sort must be resubmitted to the Association in accordance with the above provision, even if the Association has not chosen to exercise its option hereunder as to any previous proposals. The provisions of this Article X, with respect to the Association's right of first option, shall not apply to any mortgagee owning a record mortgage on any Lot, provided that a seller pursuant to a contract for deed shall be deemed an Owner for the purposes hereof. Further, provisions of this Article X shall not be applicable to purchasers at foreclosure or other judicial sales under mortgages or to transfers in lieu of foreclosure of any such mortgage; provided, that said mortgagee shall give written notice of any such default with respect to said mortgage to the Association; provided further, that the failure of receipt of such notice shall not invalidate or otherwise affect any such foreclosure or other proceedings.

Section 2. New Units. The provisions hereof with respect to the Association's right of first refusal shall not apply to sales or leases of new Units to the first Owner of record, other than Declarant, made by Declarant, its agents or employees.

ARTICLE XI

GENERAL RESTRICTIONS

Section 1. Residential Purposes Only; Exception. No Lot within the Project may be improved, used or occupied for other than single-family residential purposes; provided, however, that this restriction shall not apply to:

- (a) any building or structure which is used exclusively by a public utility company in connection with the furnishing of services to Country Squire, but only with prior written consent of the Committee, the Board or Declarant;

- (b) any portion of a building used by Declarant or its agents or employees for a manager's office or a sales office, or by the Association for its offices;
- (c) any Lot or other area of the Project which shall be designated and used as a recreation area, which shall be improved and used solely for the benefit of all of the Owners, their families, guests, invitees and lessees, and which shall include, but not by way of limitation, one or more swimming pools, cabanas, tennis courts, snack bars, clubhouses and other recreational facilities.

Section 2. Awning. No awnings or sun screens of any type shall be affixed or appurtenant to any Unit, building or structure within the Project without the prior written consent of the Committee.

Section 3. Exterior Placement. No truck in excess of three-quarter (3/4) of a ton in weight, trailer, boat, equipment or other machinery of any type, nor cars not in daily use, shall ever be parked, placed, located or otherwise maintained on any Lot, parking area, street or any part of the Common Areas. Automobiles shall be parked only in designated parking areas. No external antenna, parabolic disk, satellite dish or other device, constructed for the purpose of receiving television or radio broadcasts, of any type shall be erected on or about any Lot or other part of the Project, except that with the prior written approval of the Board and or if it shall be so designated by the Board, the Architectural Committee, one or more master television antenna towers may be erected for the benefit and use of all or part of the Lots. However, parabolic disks or satellite dishes not exceeding eighteen inches (18") in length, height or diameter, if placed in such a manner that it is inconspicuous to other residences, are allowed in Country Squire. No clotheslines or clothes hangers may be constructed, Used or maintained on the exterior of any Unit unless completely concealed within enclosed patio areas.

Section 4. Easement for Public Utilities. The Association acting through the Board of Directors shall have the right to locate, erect, construct, maintain and use, or authorize the location, erection, construction, maintenance and use of drains, sanitary and storm sewers, gas and water mains and lines, electric and telephone lines and poles, television antennas and antenna lines and other utilities, and give or grant easements or rights-of-way therefor over, under and upon any part of the Parcel not within a final Amended Plat without the consent of the then record Owner or Owners of any Lot or the Common Areas, except that no such easement or right-of-way shall extend under any building or other structure or any part thereof. No buildings or other structures shall be built, located or maintained within the area of a utility easement or right-of-way.

Section 5. Livestock and Poultry Prohibited. No animals, livestock or poultry of any kind shall be raised or kept on in or around any Lot, Unit or other part of the Project except that household pets, which shall be limited to two (2) per household, may be kept with the prior written approval of the Board. All pets shall be leashed when outside of the Unit and patio area, provided that no pet shall be allowed in the clubhouse or in, on or around any other recreational facility. No such pet shall be kept, bred or maintained for commercial purposes.

Section 6. Noxious Activity. No noxious or offensive activity shall be carried on within the Project, nor shall any trash, debris, ashes or other refuse be thrown, deposited, placed or dumped upon any Lot, Common Areas or other part of the Project, whether vacant or not, nor shall anything ever be done which may be or become an annoyance or nuisance to the neighborhood provided, that Declarant may use any part of the Parcel for placement of dirt, debris and trash during construction of Units or Common Area facilities, except those Lots and Units which have been conveyed to an Owner other than Declarant.

Section 7. Billboards. The construction, location or maintenance of billboards, advertising boards or structures or signs of any kind or nature on any Lot or other part of the Project is expressly prohibited, except that "for sale" or "for rent" signs may be erected by an Owner or his sales agent with the prior written consent of the Board, provided that in no event shall any such sign exceed one hundred (100) square inches in size; provided, that the sales agent for the Project may erect such signs as it deems necessary for the sale of the Units until the last Unit in the Project has been conveyed.

Section 8. Outbuildings Prohibited. No outbuilding or other detached or attached structure appurtenant to a Unit may be erected on any Lot without the prior written consent of the Committee.

Section 9. Temporary Structures. No trailer, basement, tent, shack, garage, barn, or other temporary structure shall be erected, used or maintained at any time on any lot or other part of the Project; provided, that the Declarant or its agents may locate, construct or maintain a temporary office, trailer or other structures relating to and during construction, and may construct and maintain model Units for sales, rental and lease purposes on any part of the Project, all of which may be maintained for so long as Declarant deems such are necessary.

ARTICLE XIIGENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, or the Articles of Incorporation or By-Laws of the Association. Failure to so enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter for the same or different violations. The Association shall have the right to recover the reasonable costs it incurs in enforcing any restriction, condition, covenant or reservation as against any Owner in violation thereof which shall include reasonable attorneys fees, expenses and costs.

Section 2. Severability. Invalidation of any one or more of the covenants, conditions or restrictions contained herein by judgment or court order shall in no wise affect any other provisions, all of which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions and restrictions of this Declaration and any amendment hereto shall run with and bind the land subject hereto, for a period of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each. This Declaration may be amended, subject to Section 6 of this Article XII,

- (a) at any time pursuant to Section 4, Article IV hereof, or at any time within two (2) years of the date of this Declaration subject to Section 6 of this Article XII, by a duly recorded document signed only by Declarant herein, its successors or assigns; provided that upon recording of the deed to the last Unit in the Project, Declarant's rights to so amend shall cease and subsection (b) hereof shall become operative;
- (b) during the next period of time which when added to the foregoing period equals twenty (20) years, by duly recorded instrument signed by the Owners of not less than ninety percent (90%) of the Lots, and, thereafter by a like instrument signed and certified by an authorized representative of Country Squire Homes Association, Inc. certifying that any such amendment has been duly approved by not less than seventy-five percent (75%) of the owners of the Lots in Country Squire. Any such document must be filed of record no later than ninety (90) days prior to the end of the respective period.

Notwithstanding anything herein to the contrary, the amendments of the Declaration of Covenants, Conditions and Restrictions of

Country Squire made May 24, 1976, January 23, 1981, and September 14, 1983, remain in full force and affect and are unaffected hereby.

Section 4. Notices. All notices required to be given by the Association or the Board by this Declaration shall be sent postage prepaid to the address of the Unit involved, or to the address furnished in writing by the holder of a mortgage or similar lien, and such notice shall be conclusive upon each Owner and lien holder unless an Owner or lien holder has previously specified a different address in writing to the Association. The Association shall not be required to send any, notice required by this Declaration or the Articles of Incorporation or By-Laws to any lien holder unless the name and address shall have been furnished in writing to the Association.

Section 5. Leases. Any and all leases, sublease or other agreements between an Owner and another party, whether or not for a stated rental, fee or other monetary consideration, shall be in writing and a copy thereof shall be given to the Association. Each and every such agreement shall state that it is subject to all of the terms, covenants, restrictions, rights, and conditions of this Declaration, the Articles of Incorporation and the By-Laws of the Association and to the rules and regulations promulgated hereunder, and, further, that any failure to comply therewith shall be a default under said agreement. Each and every person who shall enter into any such agreement shall be given a copy of each of the foregoing documents, and the terms and conditions of each of said documents shall be automatically incorporated in any such agreement by reference, whether or not specifically set forth or referred to therein.

Section 6. Rights of First Mortgagees.

- (a) Notwithstanding anything contained herein to the contrary, none of the following shall be done or attempted to be done, whether by affirmative act or omission, without prior written approval so to do by one hundred percent (100%) Of the holders of first mortgages of record of Units in the Project:
- (1) Abandon, partition, subdivide, encumber, sell, transfer, alienate, release, hypothecate, dedicate pursuant to Article IV, Section 3(d), or terminate use of any part or all of the Common Areas;
 - (2) Make any material change in or amendment to this Declaration or the Articles of Incorporation or By-Laws of the Association, except that any amendment made pursuant to Section 4, Article IV hereof relating solely to identification of new additions to the Project shall be exempt from the provisions of this Section 6;

- (3) Change the method of establishing the annual or special assessments as set forth in Article V hereof;
- (4) Either waiver or abandon the architectural control provisions of Article VII hereof;
- (5) Either waive or abandon the terms and provisions of Article VI hereof relating to maintenance of the Common Areas and the exterior of Units, nor of Article VIII hereof relating to maintenance of party walls;
- (6) Fail to maintain the fire and extended coverage insurance on Common Area facilities as required in Article IX, Section 1, subsection (b) hereof;
- (7) Use hazard insurance proceeds paid to the Association for losses to any Common Area facilities for any purpose other than repair, replacement or construction thereof;

For the purposes of this subsection, each mortgagee shall have one (1) vote for each first mortgage held by such mortgagee.

- (b) None of the items set forth in subsection (a) hereinabove shall be proposed to the membership of the Association as a whole except in or At a meeting of the Associations whether annual or special, duly called pursuant to Article IV of the By-Laws of the Association, which shall include notice to each mortgagee of any such meeting. Further, each holder of a mortgage or similar lien shall be given notice of any substantial damage to or destruction of any Unit in which it has an interest, or to the Common Areas or Common Area facilities, within five (5) days of any such damage or destruction.

Section 7. Condemnation. Notwithstanding anything contained in this Declaration, if any Lot or Unit or any part or parts thereof or all or any part or parts of the Common Areas or Common Area facilities are made the subject matter of any condemnation or eminent domain proceeding, any and all proceeds received therefrom or in connection therewith shall be applied to any mortgage or mortgages of record in the order of their priority, then to any due and unpaid real estate taxes or other tax assessment, then to any due and unpaid annual or special assessment levied pursuant to this Declaration, and the balance, if any, shall then be paid to the Owner of the Lot or Unit involved, or in the case of the Common Areas or Common Area facilities, any balance shall be paid to the Reserve Fund established by Article V, Section 5, hereof. The Owner of each Lot or Unit, or in the case of the Common Areas or Common Area

facilities, the Association, shall give timely written notice to the holder of any mortgage or other similar lien of any such proceeding or proposed acquisition.

Section 8. Books and Records. The books, records and papers of the Association shall during reasonable business hours be subject to inspection by any member and by the holder of any mortgage or similar lien or their duly appointed agents. The Declaration and the By-Laws of the Association shall also be available for inspection by any member at the principal office of the Association, and additional copies of such documents may be purchased at reasonable cost.

Section 9. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision thereof.

Section 10. Gender. The use of any gender in this Declaration shall be deemed to include either or both of the other genders, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 11. Waiver. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 12. Conflict. In the event of any conflict between this Declaration and provisions of the Laws of the State of Missouri, the latter shall govern and apply. Any civil proceeding concerning the enforcement or interpretation hereof shall be brought in the Circuit Court of Buchanan County, Missouri.

IN WITNESS WHEREOF, the undersigned Homeowners, for expression of their approval, have duly adopted and caused the foregoing document to be executed this 30th day of April, 1997.

NAME OF OWNER(S)

ADDRESS OF TOWNHOME
IN ST. JOSEPH, MISSOURI

1.	<i>H.M. Evans</i>	<i>1315 No. 43rd</i>
X		
	<i>David Rust</i> <i>error</i>	<i>1506 N 43</i> <i>CWR</i>
X		
