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HOMES ASSOCIATION DECLARATION

HOMES ASSOCIATION DECLARATION is made this 23rd day of March, 1988, by Charleston Harbor Homes Association, Inc., a Missouri not-for-profit corporation.

WITNESSETH:

WHEREAS, White Rock Lake, L.P. is the owner of all of the lots and tracts shown on the plat of Charleston Harbor, a subdivision of land in Clay County, Missouri, filed for record on April 22, 1988 in the office of the Recorder of Deeds of Clay County, Missouri, and recorded in Book 23 at Page 62/63, the legal description of which is attached hereto as Exhibit "A", except such portions thereof as have been previously conveyed to bona fide purchasers,

NOW, THEREFORE, to provide the means necessary to achieve the aforesaid purposes, White Rock Lake, L.P. does now and hereby submit the Homes Association Declaration for Charleston Harbor, to be filed of record, and does now and hereby state the Homes Association Declaration for Charleston Harbor Homes Association, Inc., in its entirety as follows:

Definition of Terms Used

"Association" shall mean and refer to Charlestone Harbor Homes Association, Inc., a Not-For-Profit corporation organized and existing under the laws of the State of Missouri.

"Articles of Incorporation" shall mean the Articles of Incorporation of Charleston Harbor Homes Association, Inc., as such Articles of Incorporation may from time to time be amended.

"By-Laws" shall mean the By-Laws of Charleston Harbor Homes Association, Inc. as originally adopted and as from time to time amended.

"Declaration" shall mean the Homes Association Declaration filed for record with the Recorder of Deeds for Clay County, Missouri, as such Declaration may from time to time be amended.

"Protective Covenants" shall mean the Declaration of Protective Covenants of Charleston Harbor Homes Association, Inc, as filed with the Recorder of Deeds for Clay County, Missouri, as such Declaration may from time to time be amended.

"Developer" shall mean White Rock Lake, L.P., its successors and assigns.

"Properties" shall mean and refer to the property described on Exhibit "A" attached hereto and incorporated herein by reference and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in the Articles of Incorporation, By-Laws, Declaration or Protective Covenants.

"Common Areas" shall mean and refer to the entire area designed for common use and benefit of the owners, tenants, and invitees of each, including, but not by way of limitation, parks, playgrounds, swimming pools, recreational facilities, tennis courts, commons, footways, including buildings, structures and personal properties incident

thereeto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within the Properties, including Tract A as depicted on the plat which is private open space in lieu of parkland dedication in satisfaction of Section 31.32, Code of General Ordinances.

"Building" shall mean a structure which is designed and used exclusively for single family residential purposes which shall include the patio area and other such areas within each Residential Tract as shown on the recorded certificate of survey of each platted lot of Charleston Harbor Homes Association, Inc. not included in "Enclosed Floor Area".

"Enclosed Floor Area" as used herein shall mean and include in all cases areas on the first, second, and third floors of each building, enclosed and finished for all year occupancy, and all atriums, computed on outside measurements or center of common walls of the Buildings, but shall not mean or include any areas in basements, garages, porches, attics, or patios.

"Owner" shall mean the owner, whether one or more persons or entities, in fee simple of any Building, but excluding those having such interest merely as security for the performance of an obligation.

"Tenant" shall mean the individual(s) renting a Building from an Owner.

"Project" shall mean Charleston Harbor as it ultimately may be (if and when enlarged from time to time) fully developed.

"Residential Tract" shall mean the area of property owned by an Owner or the Developer, in fee simple, on which a Building is, or is to be, constructed, as legally described on the recorded certificate of survey of each platted lot, or the plat, of the Project.

"Common Areas Tract" shall mean the area of property owned by the Association, or the Developer, in fee simple, as legally described on the recorded certificate of survey of each platted lot, or the plat, of the Project.

ARTICLE I

Membership in Association

The Owners of the property described on Exhibit "A", or any portion thereof as more particularly described on any document now or hereafter recorded, together with the owners of any other land which may from time to time be made subject to all of the terms and provisions of this Declaration in the manner hereinafter provided for, shall be members of an Association, which is hereby created and established, to be known as Charleston Harbor Homes Association, Inc. Membership in the Association shall be mandatory for the Owner or Owners of each of the aforementioned Residential Tracts and no Owner shall be permitted or allowed to disclaim said membership and the duties, obligations and benefits thereof nor withdraw from the Association for any reason. Upon transfer of ownership of a Residential Tract shall automatically transfer membership in the Association. The Association shall be incorporated under the laws of the State of Missouri as a corporation not organized for profit. Membership in the Association shall be limited to the Owners of Residential Tracts within the boundaries of the Project as it exists from time to time. The Association shall be the sole judge of the qualifications of its members and of their right to participate in and vote at its meetings and proceedings in accordance with its Articles of Incorporation and By-Laws.

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ARTICLE II

Voting Rights

The Charleston Harbor Homes Association, Inc. shall have two classes of voting membership, as follows:

(a) Class A: Each Owner, with the exception of the Developer, of a complete Building in Charleston Harbor, a subdivision in the City of Kansas City, Clay County, Missouri, shall be a Class A member. Each Class A member shall be entitled to one (1) vote for each Building in which he holds fee simple title. When more than one (1) person holds such interest in any Building, all such persons shall be members, and the vote for such Building shall be exercised as they, among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Building.

(b) Class B: The Class B member shall be the Developer the Class B member(s) shall be entitled to three (3) votes for each Residential Tract in Charleston Harbor, regardless of whether there is a completed Building located thereon, in which the Developer holds fee simple title; provided, however, that all voting rights of the Class B member(s) shall cease and be null and void on January 1, 2008, regardless of whether the Class B member(s) owns any Residential Tract or or Residential Tracts in Charleston Harbor as of such date.

ARTICLE III

Additions to Land

The Developer shall not add such other adjoining land owned by the Developer to the land subject to this Declaration, unless all of the following conditions precedent have been satisfied:

(a) The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of Charleston Harbor, provided that such additions are in accord with a General Plan of Development assuring that future improvements of such adjoining land will be of comparable style, quality, size and cost as Charleston Harbor, and such General Plan of Development shall have been submitted for review to the Owners Association and any applicable governmental regulatory authority, agency or association.

(b) Such General Plan of Development shall show the proposed additions to the land subject to the Declaration and shall contain:

(i) A general indication of size and location of additional development stages and proposed land uses in each;

(ii) The approximate size and location of common areas proposed for each stage;

(iii) The general nature of proposed common facilities and improvements;

(iv) A statement that the proposed additions, if made, will become

subject to assessment for their just share of Owners Association expenses;

(v) A schedule for termination of the Developer's right to bring additional development stages within the scheme.

Unless otherwise stated therein, such General Plan of Development shall not bind the Developer, its successors and assigns, to make the proposed additions to or adhere to the General Plan of Development in any subsequent development of the land shown thereon and the General Plan of Development shall contain a conspicuous statement to this effect.

(c) The additions authorized under this Article shall be made by filing of record such supplemental Declarations with respect to the additional property as shall be necessary, which shall extend the scheme of the covenants and restrictions of the Protective Covenants and provisions of this Declaration to such property. Such supplemental document may contain such complimentary additions and modifications as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration of the Protective Covenants. In no event, however, shall any of such supplementary documents revoke, modify or add to the covenants established by the Articles of Incorporation, By-Laws, Protective Covenants and this Declaration.

ARTICLE IV

Powers and Duties of the Association

Section 1. Duties

The Association shall have the following duties:

(a) To maintain and repair the Common Areas, and the improvements, if any, located thereon, and to replace items therein when necessary, all of which includes but is not limited to grass areas, flower gardens, shrubs, trees, plants, curbs, walkways, drainage and lighting facilities, striping of parking areas, removal of snow, ice and trash, recreational facilities and other parties and accessories in and to the Common Areas.

(b) To pay all real estate taxes and special assessments levied against the Common Areas.

(c) To obtain and provide public liability insurance and such other insurance deemed necessary by the Association for the Common Areas, as more specifically set forth herein in Article VI.

(d) To employ a professional real estate management company to carry out the purpose of the Association, provided that any management agreement for such purposes shall provide that it is terminable by the Association for cause upon thirty (30) days written notice thereof, and the term of such management agreement may not exceed one year, renewable by agreement of the parties for successive one year periods.

(e) To establish reserve account(s) for repair and maintenance of the Common Areas, to periodically review the adequacy thereof, and to keep and maintain such reserve funds in interest bearing accounts, until expended, for the

benefit of the Association.

(f) To do such other matters as may from time to time be necessary to maintain the quality and appearance of the Buildings.

(g) To fix, levy and collect assessments, both general and special, against each Building, as hereinafter set forth in Article V, in order to perform the duties required of the Association pursuant to Section 1 of this Article, and to carry out the powers granted the Association pursuant to Section 2 of this Article.

(h) Use or maintenance of the Common Areas shall not terminate without the specific written consent of the appropriate governing authority of Kansas City, Missouri.

Section 2. Powers:

The Association shall have the following powers:

(a) Unless the Board of Directors is satisfied that proper arrangements have been made for restoration, replacement or repair of any common area which has been damaged by an insured peril, to collect and receive the proceeds from any insurance company covering loss or damage by fire or other hazard or occurrence to any common area and to pay out of the proceeds the cost of any such restoration, reconstruction, replacement or repair hereinabove mentioned, and to collect any excess of the cost of any such work over the insurance proceeds from the Owner or Owners of the respective Building incurring such excesses all as hereinafter provided in Article VI hereof.

(b) To establish and publish such rules and regulations from time to time which it deems necessary for the enjoyment by the Owners, and to amend the rules and regulations as it deems necessary.

(c) To perform, install and maintain any and all other functions, measures and items deemed necessary by the Association for the convenience, benefit and enjoyment of the Owners.

Section 3. Rights of Holders of First Deeds of Trust:

In the event that the Association shall fail to pay all real estate taxes and special assessments levied against the Common Areas, as otherwise required by paragraph (d) of Section 1 of this Article IV, or if the Association shall fail to pay any other charges which are in default and which may or have become a charge against the Common Areas, or if the Association shall have failed to pay premiums on hazard insurance as required in accordance with the provisions of Article VI, the holders of the First Deeds of Trust on Residential Tracts and/or Buildings may, jointly or severally:

(a) Pay real estate taxes and special assessments or other charges levied against the Common Areas which are in default and which may or have become a charge against the Common Areas, or any portion thereof;

(b) Pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Areas or any portion thereof. In the event any one or more of the holders of First Deeds of Trust shall make any such payments, such holder or holders of First Deeds of Trust shall be owed immediate reimbursements therefor by the Association, and entitlement to

such reimbursement shall be reflected in an agreement to be executed by the Association, in favor of all holders of First Deeds of Trust of Residential Tracts and/or Buildings, and the Association shall deliver one or more certified copies of such agreement to such holder or holders of First Deeds of Trust as may request delivery of such agreement.

ARTICLE V

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation Assessments:

Each Owner of a Building, by acceptance of a Deed therefor, whether or not it shall be so expressed in any deed or other conveyance, is deemed to covenant and agree to pay to the Association assessments or charges to be fixed, established, levied and collected from time to time as herein provided. The assessments, both general and special, together with such interest thereon and such costs of collection thereof as may be necessary, as hereinafter provided, shall be a charge on the Residential Tract involved and shall be a continuing lien upon the Residential Tract against which each such assessment is made; provided that the lien of any such assessments shall be subordinate to the lien of any First Deed of Trust now or hereafter placed upon such Residential Tract, and recorded prior to the date such assessment becomes due. The foregoing provisions of this Section 1 shall be applicable to the Developer with respect to all completed Buildings shall not be subject to the foregoing provisions, and the Developer shall have responsibility for maintenance, at its expense, of such vacant Residential Tracts and uncompleted Buildings, provided that Developer shall not, in any manner, purposely delay completion of Buildings under construction so as to avoid any obligation for payment of assessments as provided for in the preceding provisions of this Section 1.

Section 2. Payment of Annual Assessments:

Prior to the beginning of each calendar year, the Board of Directors of the Association shall prepare a Budget for the ensuing calendar year and such Budget shall cover the estimated costs of performing all of the obligations and exercising the powers established under this Declaration. On the basis of this Budget, the monthly assessments for each Owner of each Building for the ensuing year shall be established by the Association on the basis that the cost as estimated under such Budget shall be borne equally by the Owners of the Buildings. The monthly assessments shall be paid on the first day of each calendar month in each calendar year and shall be deemed delinquent after the tenth day of such month. All computations relating to obligations to be performed under this Declaration shall be accomplished in accordance with accepted practices and the Association shall employ a firm of Certified Public Accountants to render a written audit of its operations for each calendar year and a copy of such written audit shall be available to the Owners of each Building.

Section 3. Special Assessments:

The cost incurred by the Association in performing its duties under Section 1 of Article IV, as such is applicable to particular Buildings, shall be billed as a special assessment to the Owners of the Buildings in the proportion that the Enclosed Floor Area in the Building bears to all of the Enclosed Floor Area in the Building upon which the work was performed, and the amount specified in the billing shall constitute a special assessment which shall be paid within thirty (30) days of such billing.

Section 4. Late Charges:

If an assessment is not paid when due, the Association may exact a Late Charge as established by the Board of Directors, and such Late Charge shall become a lien on a defaulting Building as any other assessment until paid, subject to the limitations of such lien as set forth in Section 1 of this Article V.

Section 5. Foreclosure of Lien:

If any assessment made pursuant to the provisions hereof by the Association remains unpaid for thirty (30) days after the date upon which it is due, it may be foreclosed by suit by the Association in a like manner as a mortgage (or deed of trust) of real property. The Association shall have the power to bid at the foreclosure sale and to acquire and hold, lease, mortgage and convey any property acquired as a result of a successful bid. Suit to recover money charged for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same.

Section 6. Limitations on Foreclosure of Lien:

The right of the Association to exercise any of its rights of foreclosure pursuant to Section 5 of this Article V shall be subject to the following limitations:

(a) The Association shall have previously given notice to any holder of a First Deed of Trust which might be affected thereby, of any default by the Owner of a Building, which default has not been cured within thirty (30) days in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation, By-Laws or the Protective Covenants.

(b) Any holder of a First Deed of Trust who comes into possession of a Building pursuant to the remedies provided in the Deed of Trust, or any similar mortgage, or foreclosure of the Deed of Trust, or Deed (or Assignment) in lieu of foreclosure, shall take the Residential Tract and/or Building free of any claims from the Association for unpaid assessments or charges against the Building subject to such Deed of Trust which accrue prior to the time such holder comes into possession of the Building (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Buildings including the Building subject to such Deed of Trust).

ARTICLE VI

Insurance

Section 1. Liability Insurance:

The Association shall obtain comprehensive public liability insurance and insuring the Association in such amounts as the Association may determine from time to time; provided that the amount of such insurance shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence, and such coverage shall include protection against liability for non-owned and hired automobile, liability for property of others, and, if applicable, garage keepers' liability, host liquor liability, water damage liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use to Charleston Harbor. Each Owner of each Building shall be responsible for obtaining and paying for his personal liability insurance.

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Section 2. Fidelity Insurance:

The Association shall obtain and maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, and employees of the Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity bond shall meet the following requirements:

- (a) All such fidelity bond shall name the Association as an obligee; and
- (b) Such fidelity bond shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, unless a greater amount is required by Federal National Mortgage Association or other applicable governmental regulatory authority, agency or association; and
- (c) Such fidelity bond shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (d) Such fidelity bond shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premiums) without a least fifteen (15) days prior written notice to the mortgage servicer on behalf of Federal National Mortgage Association, or other applicable mortgage servicer for any other governmental authority, agency or association.

Section 3. Hazard and Other Insurance:

(a) **Purchase of Insurance by Building Owners.** The Owners of each Building shall at all times obtain and maintain fire, windstorm and extended coverage insurance on its broadest terms, and vandalism and malicious mischief insurance, insuring such Owner's respective Building for the full replacement cost. 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 an additional insured thereunder, with any proceeds to be utilized for the repair and restoration of such damaged Building. In addition, the Association shall give timely written notice to the holder of any First Deed of Trust of any such affected Building of any substantial damage or destruction. If such insurance proceeds are insufficient to repair or restore such damaged Building, the Owner shall be responsible for any such deficiency. If any Owner shall default in performance of this requirement of procuring insurance, the Association may procure such insurance in the name of the Owner and the cost thereof shall be assessed as a special assessment against such Owner's Building to be the responsibility of each Owner of each Building to also obtain his own hazard insurance on the contents of his own Building, including his additions, improvements, decorations, furnishings and personal property therein and his personal property stored elsewhere. In lieu of naming the Association as an "additional insured" of any such insurance, the Owner may name the Association, if permitted or required by the applicable insurer, as a "loss payee" under such insurance referred to in this paragraph.

(b) **Purchase of Insurance by the Association.** All personal property owned or used by the Association shall be insured for its full replacement value (i.e., 100%

of current "replacement cost") with an "agreed amount endorsement" or its equivalent, such insurance to afford protection against at least the following:

(i) Loss or damage by fire of other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, costs of demolition, vandalism, malicious mischief, windstorm and water damage; and

(ii) Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to Charleston Harbor.

The Association shall also maintain worker's compensation and employer's liability insurance, if necessary, and such other insurance as the Association deems necessary. The Management Company, or any other firm retained by the Association or the Management Company, shall provide evidence of such coverage as a condition of employment.

(c) **Loss Payable Provisions.** All liability and worker's compensation insurance policies purchased by the Association shall be for the benefit of the Association. No Building Owner or Mortgagee shall have the right to require or to elect to apply the insurance proceeds from loss to real property to the reduction of any note secured by a deed of trust or any other evidence of debt on the damaged Building and other damaged portions of the Project, or to assert any right or claim to any portion of the insurance proceeds, from loss to real property, unless it be the excess of insurance payments over the replacement costs of the damaged Building and other damaged portions of the Projects, and then only after the same is fully repaired and restored.

(d) **Utilization of Insurance Payments.** In the event of a hazard loss to improvements within the Common Areas and after payment of the proceeds of the insurance are paid to the Association for such loss or damage, or arrangements for such payment have been made, said property shall be restored as nearly as possible to the condition it was in prior to the damage. 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 and assessed equally to all the Owners of Buildings. If the insurance proceeds are sufficient for, or in excess of, the amount needed for said repairs, then the Association shall have the damaged portion repaired and any surplus or excess shall be added to the Association's funds.

The Association shall be reimbursed for any and all actual expenses as a result of performing its duties designated in this Article VI.

ARTICLE VII

Enforcement

The Association, its successors and assigns, and also the Owner or the Owners of any of the Properties hereby restricted, shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of the provisions set forth above, in addition to any ordinary legal action for damages, and failure of the Association, its successors and assigns, or any Owner or Owners of the Properties in Charleston Harbor Homes Association, Inc., to enforce any

of the provisions set forth herein at the time of its violation shall, in no event, be deemed to be a waiver of the right to do so thereafter.

ARTICLE VIII

Release or Modification

The covenants, restrictions and provisions of this instrument shall be deemed covenants running with the land and shall remain in full force and effect until January 1, 2009, at which time said covenants, restrictions and provisions shall automatically be extended for successive periods of ten (10) years each, provided that such covenants, restrictions and provisions may be amended, modified, changed or cancelled at any time, in whole or in part, by a written agreement adopted by a two-thirds (2/3) majority vote of the members of Charleston Harbor Homes Association, Inc., and one hundred percent (100%) of holders of the First Deed of Trust. Any agreement modifying, changing or cancelling these restrictions shall become effective upon the date of its recording in the office of the Recorder of Deeds of Clay County, Missouri, which must be at least before the commencement of any such ten (10) year period.

Article IX

Separability

Invalidation of any provision set forth herein or any part thereof by an order, judgment or decree of any court, or otherwise, shall not invalidate or affect any of the other provisions or any part thereof as set forth herein, but they shall remain in full force and effect.

Article X

Binding Effect

All of the provisions contained herein shall be binding on all Owners of the property described in Exhibit "A", or any portion thereof as more particularly described on any document now or hereafter recorded, together with the Owners of any other land which may from time to time be made subject to all of the terms and provisions of this Declaration in the manner herein provided for, together with their heirs, administrators, executors, successors or assigns and all persons claiming any right, title or interest in or to any such Building or Buildings or other land under any such Owner or Owners.

ARTICLE XI

Additional Miscellaneous Provisions

Section 1. Action Requiring Approval of 100% of Holders of First Deeds of Trust:

Unless at least one hundred percent (100%) of the holders of the First Deeds of Trust (based upon one vote for each Deed of Trust) of Residential Tracts or Buildings have given their prior written approval, the Association shall not be entitled to:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association for the benefit of Owners of Buildings; provided that the granting of easement for public utilities or other public purposes consistent with

the intended use of such property by the Association shall not be deemed a transfer within the meaning of this paragraph.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Building.

(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 of the Buildings, the exterior maintenance of the Buildings, the maintenance of any party walls or common fences and driveways, or the upkeep of lawns and plantings in the Common Areas or Residential Tracts.

(d) Fail to maintain fire and extended coverage insurance on insurable Common Areas property on the current replacement cost basis in any amount not less than one hundred percent (100%) of the insurable value thereof (based on current replacement cost).

(e) Use hazard insurance proceeds for losses to any Common Areas property for other than the repair, replacement or reconstruction of such improvements.

Section 2. Inspection of Books and Records:

The Holders of First Deeds of Trust shall have the right to examine the books and records of the Association from time to time, or at any time, at the offices of the Association during normal business hours, or at such other place and at such other time as may be reasonable under the circumstances.

Section 3. Restrictions on Insurance Proceeds or Condemnation Awards:

Notwithstanding anything herein to the contrary, no Owner of a Building or any other party shall have priority over any rights of the holders of First Deeds of Trust of such Buildings or equivalent security interest pursuant to their rights under the Deeds of Trust in the case of a distribution to Owners of Buildings of insurance proceeds or condemnation awards for loss to or taking of any Building or portion thereof or any Common Areas property or any portion thereof. The holders of First Deeds of Trust will be entitled to receive timely written notice from the Association of any condemnation proceeding or proposed acquisition in lieu of condemnation.

Section 4. Right of Owner to Sell:

The Owner of a Residential Tract shall have the right to sell, transfer or otherwise convey his Residential Tract, and Building located thereon, without such sale, transfer or other conveyance being subject to any right of first refusal or any similar restriction in favor of the Association.

Section 5. Lease of Residential Tract and Building:

Any lease agreement between an Owner of a Residential Tract and Building and a lessee of such Residential Tract and Building shall be required to be in writing, and shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Protective Covenants, By-Laws and Articles of Incorporation, and such lease shall further provide that any failure by the lessee therein to comply with the terms of such document shall be a default under the lease. Other

than as provided in the preceding sentence, there is no restriction on the right of any Owner of a Residential Tract and Building to lease his Residential Tract and Building.

Section 6. Parking Spaces:

Each Residential Tract will contain sufficient parking space to accommodate at least one automobile for each Residential Tract, and each Owner shall have the right to the use, for at least one automobile, of such space.

Except for operative customer passenger automobiles and temporary maintenance vehicles, no trailers, trucks, house trailers, boats, boat trailers or racks, mobile homes, jeeps, motorcycles, motorbikes, campers, camper shells or movable buildings of any type (even if temporarily immobile) may be kept externally visible on any portion of the Project.

Section 7. Prohibition Against Encumbrances:

Except as to the Association's right to grant easements for utilities and similar or related purposes as set forth in the provisions of this Declaration, the Protective Covenants, By-Laws or Articles of Incorporation, the Common Areas may not be alienated, released, transferred, hypothecated or otherwise encumbered without the approval of all holders of the First Deeds of trust liens on Residential Tracts and Buildings.

Section 8. Party Walls:

Each wall which is built as part of the original construction of the Buildings upon the Residential Tracts and placed on the dividing line between the Residential Tracts shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section 8, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from others under any rule of law regarding liability for negligent or willful acts of omissions; provided, that the foregoing provisions of this sentence shall be subject to the provisions of this Declaration with respect to damage or destruction of Buildings and repair or replacement on account thereof. Notwithstanding any other provision of this Section 8, 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 furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this Section 8 shall be appurtenant to the land and shall pass to such Owner's successor in title. In the event of any dispute arising concerning a party wall, or under the provisions of this Section 8, each party shall choose one arbitrator, and such arbitrator shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

Section 9. Title to Common Areas:

The Developer shall convey marketable fee simple title to the Common Areas to the Association, and at the time of such conveyance the Association shall receive an owner's

title insurance policy, issued by a title insurance company licensed to do business in the State of Missouri, which title insurance policy shall insure marketable fee simple title to the Common Areas in the name of the Association. Said title insurance policy shall reflect that the Association owns fee simple title to the Common Areas, free and clear of all liens and encumbrances, except as otherwise provided in this Declaration.

Section 9. Interpretation and Construction of Provisions:

The terms, conditions and provisions of this Declaration shall be interpreted and construed in such manner, unless the context clearly requires otherwise, as shall be consistent with applicable rules and regulations applicable to participation by holders of First Deeds of Trust on Residential Tracts and/or Buildings in the Federal Home Loan Mortgage Association mortgage program.

IN WITNESS WHEREOF, Charleston Harbor Homes Association, Inc. has caused this instrument to be executed by its officers this 23rd day of October, 1987.

CONSENT:

WHITE ROCK LAKE ASSOCIATES, L.P.,
BY ITS GENERAL PARTNER:
REESE VENTURES, INC.

Donald R. Reese
Donald R. Reese, President

Donald R. Reese
Donald R. Reese

Jeffrey K. Reese
Jeffrey K. Reese

Jenna Reese
Jenna Reese

ATTEST
Jeffrey K. Reese
Jeffrey K. Reese, Secretary
STATE OF MISSOURI)
COUNTY OF) ss.

On this 23rd day of March, 1988, before me, personally appeared Donald R. Reese to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Deborah A. Barker
Notary Public

My commission expires:

DEBORAH A. BARKER
Notary Public - State of Missouri
residing in Clay County

My commission expires 9-27-91

Clay County, Missouri
Unofficial Document

STATE OF MISSOURI)
) ss.
COUNTY OF)

On this 23rd day of March, 1988, before me, personally appeared Jeffrey K. Reese to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Desorah A. Barker
Notary Public

DESORAH A. BARKER
Notary Public - State of Missouri
Commissioned in Clay County
My Commission Expires 9-27-91

STATE OF MISSOURI)
) ss.
COUNTY OF)

On this 23rd day of March, 1988, before me, personally appeared Jenna Reese to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

Desorah A. Barker
Notary Public

DESORAH A. BARKER
Notary Public - State of Missouri
Commissioned in Clay County
My Commission Expires 9-27-91

My commission expires:
9-27-91

STATE OF MISSOURI
COUNTY OF CLAY

On this 15th day of April, 1988, before me, the undersigned, appeared Donald R. Reese, to me personally known, who being by me duly sworn, did say that he is an authorized representative of Reese Ventures, Inc., General Partner of White Rock Lake Associates, L.P., and that said instrument was signed in behalf of said corporation and said Donald R. Reese acknowledges said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in Liberty, Clay County, Missouri, the day and year last above written.

Nancy L. Poppa
NOTARY PUBLIC
Nancy L. Poppa

NANCY L. POPPA
Notary Public - State of Missouri
Commissioned in Clay County
My Commission Expires 9-27-91

<http://recorder.claycogov.com>

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Clay County, Missouri
Unofficial Document

EXHIBIT "A" TO HOMES ASSOCIATION DECLARATION

LEGAL DESCRIPTION

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19,
49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 71,
72, 73, 74, 75, 76 and 77, CHARLESTON HARBOR, FIRST PLAT,
a subdivison in Clay County, Missouri, according to the recorded
plat thereof.

STATE OF MO.
CLAY COUNTY
RECORDED
MAR 22 A 3 39.0
103817 / 103818 / 103819
for Mary McClinton
Kipinski

1836 MAR 450