

3564407

DECLARATION OF CONDOMINIUM  
OF THE VILLAGES CONDOMINIUM

This Declaration of Condominium of The Villages (this "Declaration") is made and entered into by Villages of Sunnybrook, L.L.C., a Kansas limited liability company ("Declarant"), pursuant to the Kansas Apartment Ownership Act.

Recitals

Declarant owns the real property described and depicted on the attached Exhibit A, upon which Declarant has constructed or intends to construct certain improvements. By this Declaration, Declarant intends to submit such property and the improvements to the condominium form of ownership and to establish certain easements, rights, restrictions, and obligations with respect to the ownership, use and maintenance of such property.

This Declaration contemplates that certain land may be added to the Condominium, but Declarant shall be under no obligation to add any part or all of such land, and Declarant makes no representation that any part or all of such rights reserved herein shall be exercised.

Declaration

Now therefore, Declarant by this Declaration (1) submits such real property and such improvements, to the condominium form of use and ownership as provided in the Act; (2) establishes and imposes the provisions, restrictions, conditions, easements and uses herein upon such property; and (3) specifies that the provisions of this Declaration shall constitute covenants running with the land which shall be binding upon Declarant, and all subsequent owners and occupants of all or any part of such property and such portions of the Expansion Real Estate (as hereinafter defined) as are added to the Condominium.

ARTICLE 1. DEFINITIONS

The following terms shall have the following definitions:

1.1 Act. The "Act" shall mean the Kansas Apartment Ownership Act, as currently set forth at Kansas Statutes Annotated § 58-3101 *et seq.* and as the same shall be amended or renumbered from time to time.

1.2 Association. The "Association" shall mean The Villages Condominium Association, Inc. established under Article 4 hereof.

1.3 Association Insurance. "Association Insurance" shall mean all policies of insurance to be maintained by the Association under this Declaration.

1.4 Board. The "Board" or "Board of Directors" shall be the governing body of the Association, elected in accordance with the Bylaws (as hereinafter defined).

1.5 Building. A "Building" shall be any freestanding structure located on the Property (as hereinafter defined) which contains Units (as hereinafter defined).

60.00  
50.00  
16.00CK

Please Return to:  
Lathrop & Gage LC - KAW  
10851 Mastin Blvd, Ste 1000  
Overland Park, KS 66210-1669  
CWD0CS 36926774

1.6 Bylaws. The "Bylaws" shall mean the Bylaws of the Association as adopted by the Board and annexed to this Declaration as Exhibit B as provided under the Act.

1.7 Common Elements. The "Common Elements" shall consist of all of the Condominium (as hereinafter defined) and Buildings located therein except for the Units and are composed of two categories. Certain Common Elements are available for the nonexclusive use and enjoyment of all Unit Owners (as hereinafter defined) and are referred to as the "General Common Elements." Other Common Elements are limited to the use of an individual Unit to which they are appurtenant and are referred to as "Limited Common Elements". The General Common Elements and Limited Common Elements are more particularly described in Sections 2.1 and 2.2 hereof.

1.8 Common Expenses. The "Common Expenses" are any and all expenses incurred by the Association in connection with the management of the Condominium, maintenance of the Common Elements and administration of the Association, including, but not limited to, expenses for landscaping, lawn care, snow removal, improvements to the Common Elements, security lighting, Association Insurance premiums, municipal utility services for the Common Elements, maintenance and management wages, other costs associated with the Common Elements, except as otherwise provided for in this Declaration, and fees of outside consultants.

1.9 Condominium. The "Condominium" shall be known as The Villages Condominium and shall mean the Property together with the Units and Common Elements as they are currently constructed or as they may hereafter be constructed on the Property and as the Condominium may be expanded from time to time pursuant to Article 10.

1.10 Condominium Documents. The "Condominium Documents" are this Declaration, the Articles of Incorporation and Bylaws of the Association, and such Rules (as hereinafter defined) as may be adopted by the Board pursuant to this Declaration or the Bylaws.

1.11 Declarant. The "Declarant" shall mean Villages of Sunnybrook, L.L.C. or each successive person to whom the special rights of Declarant under this Declaration are assigned in accordance with Section 17.7 of this Declaration.

1.12 Declaration. "Declaration" shall mean this Declaration of Condominium of The Villages Condominium as the same may be amended from time to time.

1.13 Director. A "Director" shall mean a member of the Board.

1.14 Expansion Real Estate. "Expansion Real Estate" shall mean those lands described on Exhibit A and reserved for possible annexation to the Condominium.

1.15 Interest. "Interest" shall mean the proportionate undivided interest in the Common Elements appurtenant to each particular Unit in the Condominium.

1.16 Mortgage. "Mortgage" shall mean a recorded first lien mortgage against a Unit or the vendor's interest under a recorded first lien land contract of the Unit.

1.17 Mortgagee. "Mortgagee" shall mean the holder of a Mortgage.

1.18 Occupant. "Occupant" shall mean the Owner or any other person residing in a Unit.

1.19 Owner. "Owner" shall mean each fee simple owner of a Unit and each vendee of a Unit under a recorded land contract. The Declarant is an Owner with respect to each Unit to which it holds title.

1.20 Phase. "Phase" shall mean any group of Units subjected to this Declaration at the same time. The first Phase consists of those Units described herein and each subsequent Phase will be identified in expansion amendments pursuant to Article 10 hereof.

1.21 Plat. "Plat" shall mean that certain plat of condominium comprised of a plat or replat of survey of the Property, building floor plans, unit addresses and Expansion Real Estate as recorded or to be recorded in the Register's Office (as hereinafter defined) and as the same may be amended from time to time.

1.22 Property. The "Property" shall mean the real estate subject to this Declaration, as described and depicted on Exhibit A, and such portions of the Expansion Real Estate as are hereafter added to the Condominium in the manner described in Article 10.

1.23 Register's Office. The "Registers Office" is the Office of the Register of Deeds for Johnson County, Kansas.

1.24 Rules. The "Rules" shall mean rules and regulations established by the Association as provided in Section 4.1.

1.25 Unit. "Unit" shall mean a separate freehold estate, consisting of the space bounded and described in Article 2.

## **ARTICLE 2. DIVISION OF CONDOMINIUM INTO SEPARATE FREEHOLD ESTATES**

2.1 Units. The Condominium shall include three hundred and fifty-two (352) Units, with identification and addresses as set forth in one or more Plats to be recorded in the Register's Office. The boundaries of each Unit shall consist of the interior planes of the perimeter walls, ceiling and floors inside the Unit as depicted on one or more Plats to be recorded in the Register's Office. Each Unit also includes the garage, garage door, all windows, window sashes, locks and frames, all doors, and all mechanical and utility installations which exclusively service the Unit.

### **2.2 Common Elements.**

(a) Each Unit also has appurtenant Common Elements, which consist of both General and Limited Common Elements.

(b) The Limited Common Elements are reserved for the exclusive use of the Unit to which they are appurtenant. The Limited Common Elements of each Unit consist of (1)

patio or deck appurtenant to a Unit; (2) the light fixture and light bulb lighting the porch or deck; and (3) the driveway appurtenant to a Unit.

(c) The General Common Elements shall consist of all of the Condominium except the Units and the Limited Common Elements.

(d) Supply lines, waste lines, pipes, wires, conduits or public utility lines running through a Unit shall be part of the Unit; and all other such lines, pipes, wires or conduits outside of a Unit shall be General Common Elements to the extent not owned and/or maintained by any public utility, governmental unit or cable television company.

2.3 No Separation of Units. Units may not be separated.

### ARTICLE 3. INTEREST AND COMMON ELEMENTS

3.1 Unit Interest. Each Unit shall have an Interest equal to one (1) divided by the number of Units in the Condominium. Initially, each Interest is 1/352nd. The respective Interests may be changed as a result of expansion as set forth in Article 10.

### ARTICLE 4. ASSOCIATION OF UNIT OWNERS

4.1 Administration. The Declarant shall create the Association, which shall be incorporated and shall adopt the Bylaws for the governance and administration of the Condominium. Once approved, the Bylaws shall be annexed to this Declaration without further action and may only be amended as provided under the Act. The Association shall administer the Condominium and the provisions of this Declaration and the Bylaws, acting through its Board. From time to time, the Board may, but need not, adopt and amend Rules regarding the use of the Common Elements. After adoption, the Rules shall be binding upon Owners and Occupants.

4.2 Membership and Voting. Each Owner shall be a member of the Association and membership shall commence and terminate with ownership. Each Unit shall be vested with a vote equal to the numerical equivalent of its percentage Interest, so that the total number of votes is 100, to be cast as set forth in the Bylaws. Any Owner failing to pay any Association assessments due under Article 5 hereof within ten (10) days of its due date shall not be allowed to vote its vote until such past due assessments are paid in full to the Association.

4.3 Control of Association. The Declarant shall have the right to appoint and remove the officers of the Association and to exercise any and all of the powers and responsibilities assigned to the Association and its officers by the Articles, Bylaws, the Act, this Declaration and applicable law from the date the first Unit is conveyed by the Declarant to any person other than Declarant, until the earliest of: (1) ten (10) years from such date; or (2) thirty (30) days after the conveyance of seventy-five percent (75%) of the Interests to purchasers; or (3) Declarant's election to waive its right of control. Prior to the conveyance of twenty-five percent (25%) of the Interests to purchasers, the Association shall hold a meeting, and the Owners other than the Declarant shall elect at least twenty-five (25%) of the Directors. Prior to the conveyance of fifty percent (50%) of the Interests to purchasers, the Association shall hold a meeting, and the Owners other than the Declarant shall elect at least one-third (33 1/3%) of the Directors. For

88 units

176 units

purposes of calculating the percentages set forth in this Section, the percentage of Interests conveyed to purchasers shall be calculated with reference to the maximum number of Units that may be included in the Condominium as if complete expansion takes place.

4.4 Management. The Association may employ a professional management agent or company for the Condominium with such experience and qualifications and on such terms and conditions as are acceptable to the Board. Any such agreement may be terminable with or without cause upon ninety (90) days notice without payment of any penalty.

4.5 Approvals. Any proposal by an Owner being considered for Board approval shall be submitted in writing, in such detail and with such supporting documents as the Board may require to facilitate its understanding and review. The Board may approve or disapprove any proposal after considering one or more of the following concerns and any additional criteria the Board deems prudent: (1) freedom and safety of access and convenience to other Units; (2) requiring the written agreement of the Owner making the proposal to pay the costs of restoring Common Elements affected by such proposal to their prior physical condition upon the termination of such use; and (3) requiring the Owner's written agreement to pay a fair and reasonable monthly charge to the Association for any encroachment on Common Elements resulting from the approved proposal. The Board may at its discretion impose further conditions upon its consent to any proposal as it deems appropriate. Approval of a proposal shall be deemed given if the Association president (A) indicates in writing or (B) fails to respond within sixty (60) days following the Owner's written submission of a proposal unless, prior to the expiration of such period, additional information is requested of the Owner by the Board or the Board issues its written refusal.

## ARTICLE 5. ASSESSMENTS

5.1 Budget and Assessments. The Association shall annually adopt a budget of Common Expenses and levy general and special assessments therefor against the Units, except as set forth herein. The budget shall include amounts representing assessments that are bad debts and shall include an adequate replacement reserve out of general assessments. The Association may also levy (a) special assessments on all Units for any purpose for which a general assessment may be levied, including capital improvements, and (b) special assessments or fines on a particular Owner for the purpose of collecting any amounts due the Association or enforcing compliance by such Owner with any provision of the Condominium Documents, including assessments under Section 14.2.

5.2 Installments; Late Payments. General assessments shall be made on an annual basis but shall be due and payable in monthly installments on the first day of each month. Special assessments shall be due and payable at such time and in such manner as the Board may determine. Any assessment or installment of an assessment not paid within ten (10) days of its due date shall constitute a default and in the event of such default all of the unpaid balance of the annual assessment for the year of default shall immediately become due and payable. If the Owner fails to cure the default prior to January 1 of the subsequent calendar year, the total assessment for such year shall become due and payable effective January 1 of such year. Any assessment payments made on or after the eleventh (11<sup>th</sup>) day of its due date may also be subject to a late charge and/or interest as set forth in the Bylaws or in a Rule.

5.3 Enforcement; Liens. If an Owner defaults in any payment, the Association shall take appropriate measures as provided by law. The defaulting Owner shall be responsible for all costs incurred by the Association in seeking to enforce payment including reasonable attorneys' fees. Owners shall be both personally liable for assessments and a lien shall be imposed against such Owner's Unit for any unpaid assessments. Liens for unpaid assessments shall also extend to and secure interest, fines and reasonable costs of collection, including reasonable attorneys' fees incurred by the Association incident to the collection of assessments or enforcement of liens. The Association may purchase a Unit upon the foreclosure of its lien.

5.4 First Installment. The first installment of general assessments for each Unit in a Phase shall be due and payable commencing not later than 60 days after the date of recordation of the first instrument of conveyance of a Unit in that Phase except that if, at such time, an occupancy certificate for such Unit has not been issued by the City of Olathe, Kansas, then the first installment shall be due and payable commencing with the month following the month in which the occupancy permit is issued. Installments for partial months shall be prorated.

5.5 Payment of Assessments by Declarant. During the period of Declarant control, Declarant may, but shall not be obligated to, directly pay bills or provide services, which would otherwise represent Association obligations to which general assessments would be applied. Declarant shall be entitled to reimbursement from the Association for such expenditures. The Association shall have no power to levy assessments against Declarant or Units for which Declarant is the Owner.

5.6 Initial Working Capital Fund. Each Owner of a Unit shall, at the time of conveyance to such Owner, pay to the Association an amount equal to two (2) months installments of the general assessment provided for in this Article, or such greater amount as designated by the Board. Amounts paid under this section shall not be considered advance payments of installments of general assessments, but shall be maintained as working capital and kept in a segregated account. Declarant shall advance a like amount for each Unit in a Phase for which a certificate of occupancy has been issued and which remains unsold sixty (60) days from the conveyance of the first Unit in such Phase. Upon conveyance of a Unit where Declarant has made such an advance, the advance shall be reimbursed to Declarant by the Unit purchaser at the time of conveyance of the Unit. The working capital fund may not be used by Declarant to defray Declarant expenses, reserve contributions or construction costs, nor may Declarant apply any of the working capital fund against Association budget deficits during the period of Declarant control. Upon the expiration of Declarant control, this fund, to the extent the Board so designates, may be held to meet unforeseen expenditures or to supplement the replacement reserve fund.

5.7 Association Statements. Within ten (10) days of written request from a Unit Owner or Mortgagee, the Association shall provide a letter stating the existence of outstanding general or special assessments against the Unit, if any. Notwithstanding anything to the contrary in the preceding sentence, all Units conveyed by Declarant shall be deemed conveyed free from outstanding general, special or working capital assessments and no such letter shall be required or given as to such Units.

5.8 Common Expenses and Surpluses. Common expenses and surpluses shall be allocated among all Owners according to the Interest applicable to their Units. All common surpluses of the Condominium for each of its fiscal years shall be retained for common expenses of the Condominium for the next succeeding fiscal year.

## ARTICLE 6. MAINTENANCE AND ALTERATIONS

6.1 Owner Responsibility. Each Owner, at the Owner's sole cost, shall: (1) perform routine maintenance, repair and replacement of all components or installations of the Unit; (2) pay for the repair and replacement of the Common Elements damaged through the fault or negligence of such Owner or such Owner's family, guests, invitees or tenants or any other Occupants of the Owner's Unit; (3) be responsible for the reasonable security and safety of such Unit and shall be liable for damages caused to any other Unit(s), or the Common Elements, to the extent not covered by insurance, as a result of a breach of such security; and (4) maintain, repair and replace the Limited Common Elements appurtenant to the Unit. *Refer to 2.1*

6.2 Association Responsibility. The Association shall maintain in good condition and repair, replace and operate all of the Common Elements, except as expressly provided at Section 6.1.

## ARTICLE 7. RESTRICTIONS ON USE AND OCCUPANCY

7.1 Residential Purposes Only. Each Unit shall be occupied and used only for residential purposes and for no other purpose. No trade or business shall be carried on anywhere on the Condominium, except for (1) the incidental use of a Unit for personal business conducted by mail and telecommunications which does not burden the use of the Common Elements by frequent visits by business service providers or customers, subject to any Rules relating to such burdens, or (2) the sale or lease of Units, subject to the other provisions hereof and any Rules related thereto, or (3) the establishment of offices by Declarant or its agents for sales of Units or by the Association for conducting its affairs. No Owner or Occupant shall carry on any trade or business under this Section if it is not permitted to be carried on at the Condominium under any ordinance, statute or regulation.

7.2 Connection Between Ownership and Occupancy of Units. Each Unit must be occupied by one of the following: (a) an Owner who is a natural person; (b) the equitable beneficiary of an Owner that is a trust; (c) the shareholder, director, member, partner, employee, or officer of an Owner that is an entity provided that such occupancy is without charge and is not in the nature of a transient tenancy, which shall be defined as a tenancy of one (1) year or less; or (d) a member of the immediate family of an Owner who is a natural person. For purposes of this section, "immediate family" is limited to parents, grandparents, children, grandchildren, siblings, or in-laws. Notwithstanding the foregoing, an Owner shall be responsible to the Association and each other Owner for any breach of any provision of the Condominium Documents caused by an Occupant. The Association will only need to deal with the Owner and may, but shall not be obligated to, address any breach with the offending Occupant.

7.3 No Time Shares. No Unit shall be subject to any time share of similar arrangement.

7.4 Pets. Owners may have the privilege of keeping pets within the Condominium, subject to the following:

(a) The pet must be under twenty four inches ("24") in height when measured from the base of its fore-paw to the top of the corresponding shoulder, provided that a pet which complies with this requirement but subsequently grows to be non-complying shall be deemed at that time to not be in compliance, and provided further that the Board may in its sole and absolute discretion permit the keeping of a pet of up to twenty seven inches ("27") in height measured as above if the Board believes that such pet will not pose a threat to the safety and community of the Condominium and the Owners. An Owner shall only be allowed to keep two (2) dogs; or two (2) cats; or one (1) dog and one (1) cat within the Condominium at any one time.

(b) No reptiles or uncaged birds shall be permitted within the Condominium

(c) The pet is not permitted on any of the Common Elements or areas of Units outside of Buildings while unleashed.

(d) The individual attending the pet shall immediately dispose of any and all of the pet's solid waste in the manner prescribed by the Board.

(e) The owner of the pet shall comply with such further Rules of pet ownership as may be promulgated by the Board.

(f) The pet must be licensed by the municipality, if required under applicable ordinances.

(g) The pet must immediately and permanently be removed from the Condominium if, in the sole judgment of the Board, the pet is or becomes offensive, a nuisance or harmful in any way to the Condominium or any Owner or Occupant, or otherwise violates the terms of this Section or Rules.

(h) Any and all costs of repairing damage caused by a pet shall be borne by its owner.

(i) Any Owner failing to comply with any part of this Section shall, absent unusual circumstances under which the Board determines that some lesser or other remedial action is appropriate, be assessed a monthly pet fee in an amount of Five Hundred Dollars (\$500.00) per month or part thereof until the Owner has complied, in addition to any other remedy including the revocation of the license to maintain a pet. Such pet fee shall be a special assessment and may be collected in the same manner as assessments under Article 5. Possession of pets on the Condominium shall not be considered a property right.

7.5 Signs. No Owner, except Declarant, may erect, post or display posters, signs or advertising material on the Common Elements or at locations within a Unit which are visible from the Common Elements without the prior written consent of the Board, except that an Owner may within the Unit erect or post a temporary sign of customary and reasonable dimension relating to the open house of a Unit for sale or lease. Where Board consent is sought and

obtained, the permitted signs will be erected and maintained in accordance with all ordinances, rules, regulations and conditions applicable thereto. "Signs" as used herein shall be construed and interpreted in the broadest possible sense and shall include any placard, posters or other such devices as may be affixed to the interior of any exterior windows so as to be visible from the exterior of the Building.

7.6 Storage of Boats, Campers, Trailers, etc. No recreational vehicle, over-cab camper, boat, trailer or other similar vehicle may be stored or parked on the Property for more than two (2) hours, except that such storage or parking shall be allowed within the confines of the garage of any Unit.

## ARTICLE 8. RECONSTRUCTION AND CONDEMNATION

8.1 Reconstruction. In the event of fire, casualty or any other disaster affecting one or more of the Units or Common Elements (the "Damaged Premises"), the Damaged Premises shall be reconstructed and repaired, unless otherwise determined as provided below. Reconstruction and repair shall mean restoring the Damaged Premises to substantially the same condition as existed prior to the fire, casualty or disaster, and in accordance with the maps, plans and specifications used in the original construction insofar as practicable. The Board may authorize changes to the same with the consent of the Mortgagees of the Units so affected and with the recordation of an amendment to this Declaration noting the effects thereof.

8.2 Insufficient Proceeds. If insurance proceeds are insufficient to reconstruct or repair Common Elements, then, subject to Section 8.3, the Owners of all Units shall be assessed according to their Interests for the deficiency relating to the reconstruction or repair of Common Elements comprising Damaged Premises. The provisions of Article 5 shall apply to all sums assessed for any deficiency.

8.3 Partition. If the insurance proceeds are insufficient to reconstruct or repair the Common Elements (excluding any deductibles under the Association Insurance), then the Condominium shall be subject to an action for partition upon obtaining the written consent of 75% of all Owners and Mortgagees. If such approval is not obtained within 30 days from the date of adjustment of insurance proceeds following the fire, casualty or other disaster, then no such action for partition shall be maintained or initiated.

8.4 Control of Adjustment and Restoration. The Association shall have the sole power to settle adjustments with the insurance carrier for Association Insurance. The Association shall have the sole power to engage contractors to restore the Common Elements and insured portions of the Units. The Association shall have no responsibility to repair, reconstruct or replace any improvements in a Unit which are not insured by Association Insurance or any improvements installed subsequent to initial construction of the Unit.

8.5 Construction Fund. Insurance proceeds and special assessments under Section 8.2 shall constitute a construction fund, with insurance proceeds disbursed first. Any surplus funds shall be held or distributed to the Owners and their Mortgagees as their interests may appear, in accordance with their Interests.

8.6 Condemnation. If all or any portion of the Condominium is taken under the power of eminent domain or sold in settlement or anticipation of any pending or threatened proceeding, this Section shall control. Each Owner of an affected Unit shall have the right to appeal of the necessity of the taking and of the amount of the condemnation award with respect to its Unit and Limited Common Elements appurtenant to such Unit. The Association shall have the exclusive right of appeal of the necessity of the taking and the amount of the condemnation award with respect to the General Common Elements. Any settlement or decision on an appeal by the Association as to the General Common Elements shall be binding upon all Owners. Damages shall be awarded and Interests shall be adjusted as follows:

(a) Each Owner is entitled to the entire award for the taking of all or part of its Unit and Limited Common Elements appurtenant to such Unit and for consequential damages to the Unit, if any.

(b) If no reconstruction is undertaken, any award for the taking of General Common Elements shall be allocated to all Owners in proportion to their respective Interests.

(c) Where an entire Unit is taken, the Interests and votes on Association matters appertaining to the remaining Units shall be adjusted post-condemnation in the same manner as following an expansion of the Condominium. A partial taking of a Unit shall not include the Interest or vote appurtenant to the Unit. If Interests or votes are affected, the Association shall record an amendment which discloses the nature of the taking and adjustments caused thereby. Following the taking of all or a part of the Units and the General Common Elements, the Association shall promptly undertake to restore the improvements of the General Common Elements to an architectural whole. Costs of restoration of the General Common Elements in excess of the condemnation award shall be a common expense. If the Board determines that reconstruction or restoration is not practical, the entire Condominium shall be subject to an action for partition upon obtaining the written consent of the Owners having 75% or more of the Interests. Upon partition, the net proceeds of sale of the Condominium, together with any net proceeds of the award for taking, shall be considered as one fund and divided among all Owners in accordance with their Interests. If the 75% approving vote is not obtained within thirty (30) days of the Board decision, then reconstruction shall take place with costs of restoration of Units and the General Common Elements in excess of condemnation proceeds assessed against all Owners in proportion to their Interests.

## ARTICLE 9. INSURANCE

9.1 Association Insurance. The Association shall obtain and maintain commercial general liability insurance for occurrences on the Common Elements, all-risk property damage insurance coverage on the General Common Elements, and such other policies or coverage as the Board deems necessary or advisable.

9.2 Coverage of Association Insurance. The property damage insurance coverage shall be in an amount equal to the maximum insurable replacement value, with an "agreed amount" and a "replacement cost" endorsement, without deduction or allowance for depreciation. This coverage amount shall be annually reviewed and shall insure against loss or damage by fire and other hazards as commonly covered by a standard extended coverage

endorsement and such other hazards as customarily covered with respect to buildings similar in construction, location and use. Commercial general liability coverage shall be in such amounts as the Board determines annually, but not less than \$1,000,000 per occurrence.

9.3 Proceeds. Association Insurance proceeds for property damage loss shall be for the benefit of the Association, Owners of damaged Units and their Mortgagees as their interests appear in order to finance reconstruction of damaged Common Elements. Liability coverage and other insurance proceeds shall be applied as the Association directs.

9.4 Cost. All premiums for Association Insurance and other insurance obtained by the Association shall be a common expense of the Condominium, except that any increase in the rating or premium charged for any such insurance caused by the character or use of Unit shall be allocated solely to its Owner. The Board shall cause its insurer to designate such portions of premiums in order to facilitate this allocation, or the Board may make a reasonable estimate of such allocation.

9.5 Waiver of Subrogation. The Association and each Owner acting both for themselves and for their respective insurers, waive any claim it or they may have against the other for any loss insured under any policy obtained by either to the extent of insurance proceeds actually received, however loss is caused, including such losses as may be due to the negligence of the other party, its agents or employees. All policies of insurance shall contain a provision that they are not invalidated by the foregoing waiver, but such waiver shall cease to be effective if the existence thereof precludes the Association from obtaining any policy of insurance at a reasonable and customary rate.

9.6 Acts Affecting Insurance. No Owner or Occupant shall commit or permit any violation of covenants or agreements contained in the Association Insurance, or do or permit anything to be done, or keep or permit anything to be kept, or permit any condition to exist, which might (1) result in termination of any such policies, (2) adversely affect the right of recovery thereunder, (3) result in reputable insurance companies refusing to provide such insurance, or (4) result in an increase in the insurance rate or premium over the premium which would have been charged in the absence of such violation or condition, provided that, in the case of such increase, the Owner responsible for such increase shall pay the same. If the rate of premium payable with respect to the Association Insurance or with respect to any policy of insurance carried by any Owner shall be increased over the rate charged for the lowest-rated Unit, (w) by the size, design or composition of the Unit, (x) by reason of anything done or kept in a Unit, or (y) the failure of any Owner or Occupant to comply with Association Insurance requirements or (z) the failure of any Owner or Occupant to comply with this Declaration or the Bylaws, then the particular Owner shall reimburse the Association for the resulting additional premiums. The Association reimbursement right is without prejudice to any other Association remedy, and may be enforced by special assessment against the particular Unit.

9.7 Exclusions From Coverage. Association Insurance coverage may exclude (1) coverage on the Unit itself and any personal property located within or pertaining to the exclusive use of a Unit; and (2) liability coverage on an Owner, its guests, invitees, employees or any other Occupants of such Unit, arising out of any occurrences within a Unit or relating to an

Owner's personal property. It is the sole responsibility of each Owner to obtain such insurance coverages as are excluded from Association Insurance.

## ARTICLE 10. EXPANSION OF CONDOMINIUM

10.1 Right to Expand. Declarant reserves the right to expand the Condominium, without the consent or approval of any Unit Owner, at any time and from time to time on or prior to the expiration of 10 years from the date of recording this Declaration, by subjecting all or any portion of the Expansion Real Estate to this Declaration. Expansion may be effected in any number of phases. Declarant is under no obligation to and makes no representation that it will in fact exercise its rights to expand the Condominium or construct Units thereon; parts or all of the Expansion Real Estate may be developed for uses other than as part of the Condominium.

10.2 Number, Location and Style of Units. The maximum number of Units in the Condominium as expanded shall be three hundred and fifty-two (352). The Units shall be positioned as shown on one or more Plats to be recorded in the Register's Office, but Declarant reserves the right to change the location if required to achieve the best development in the opinion of Declarant. The Units shall be of substantially comparable size and design as shown on one or more Plats to be recorded in the Register's Office, but Declarant reserves the right in its discretion to change the size to enhance marketability. The additional improvements shall be compatible with and of the same or similar quality of construction and materials as the then existing improvements.

10.3 Effect of Expansion. Upon each such expansion in which Units are added to the Condominium, the following adjustments shall be made:

- (a) The Interests shall be recalculated as provided in Section 3.1. At the most diluted, each Owner's Interest shall not be less than 1/352nd.
- (b) The common surpluses and expenses of the Condominium shall be shared among the Owners of all Units according to their Interests as adjusted in the manner set forth above, or as otherwise specifically provided for herein.
- (c) Each Owner of a Unit shall be a member of the Association entitled to a vote in accordance with Section 4.2.

10.4 Method of Expansion. Expansion shall occur upon recording amendments and addenda to this Declaration and the Plat describing and showing the location and floor plans of the Buildings, Units, other improvements and Common Elements of that Expansion amendments need be executed only by Declarant.

### 10.5 Matters Related to Expansion.

- (a) Declarant reserves an easement over and across the Condominium, including the General Common Elements, for the benefit of the Expansion Real Estate for the purposes of construction, ingress and egress and for vehicular parking during construction.

Declarant further reserves an easement across, under and through the General Common Elements for the benefit of the Expansion Real Estate for the purpose of installation, maintenance and replacement of underground utilities servicing the Expansion Real Estate.

(b) If Declarant, its successors and assigns, shall determine at any time that it is desirable to coordinate utility services for the Expansion Real Estate with existing utility services for the Condominium, Declarant may connect utilities servicing the Expansion Real Estate to existing utilities even if the Expansion Real Estate is not then or thereafter made a part of the Condominium.

(c) Notwithstanding Article 11 of this Declaration, the rights reserved in this Article 10 may not be amended or terminated without the prior written express consent of Declarant.

#### ARTICLE 11. AMENDMENT OF DECLARATION

11.1 General. Except as otherwise provided herein, this Declaration may be amended only by the written consent of Owners of Units which represent at least seventy (70%) of the Interests, or such greater percentage as may be required by the Act. Consent is not effective unless approved by the Unit's Mortgagee, if any. Amendments shall be prepared and executed by the President of the Association and shall become effective when recorded in the Register's Office. No action to challenge the validity of an amendment shall be commenced more than one (1) year after the amendment is recorded. Notwithstanding the foregoing, Sections 7.1 and 7.2 of this Declaration shall not be amended without the written consent and approval of the City Council of the City of Olathe, Kansas.

11.2 Requirement for Special Approvals of Certain Amendments. No amendment shall adversely affect a special right conferred on or reserved to Declarant under this Declaration without Declarant's written consent.

11.3 Material Amendments. A change to the provisions hereof affecting any of the following shall also require approval by 51% of Mortgagees: (a) voting rights; (b) assessments, assessment liens, or the priority of assessment liens; (c) reserves for maintenance, repair, and replacement of Common Elements; (d) responsibility for maintenance and repairs; (e) reallocation of Interests in the General or Limited Common Elements, or rights to their use; (f) redefinition of any Unit boundaries; (g) convertibility of Units into Common Elements or vice versa; (h) expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the Condominium; (i) insurance or fidelity bond; (j) leasing of Units; (k) imposition of any restrictions on a Unit Owner's right to sell or transfer the Owner's Unit; (l) a decision by the Association to establish self-management when professional management had been previously engaged; (m) restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than as specified herein; (n) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or (o) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

#### ARTICLE 12. RIGHTS OF MORTGAGE HOLDERS

12.1 Notice. Any holder, insurer or guarantor of a Mortgage encumbering a Unit that makes written request on the Association for the following, identifying the name and address of such person and the Unit number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its Mortgage;
- (b) Any thirty (30) day delinquency in the payment of assessments owed by the Owner of the Unit on which it holds a Mortgage or any breach of the provisions of any instrument or rule governing the Condominium which is not cured by such Owner within thirty (30) days of such Owner's receipt of notice of such breach;
- (c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of Mortgagees as specified in Article 11.

12.2 Mortgagee Acquisition of Unit. A Mortgagee acquiring title to a Unit pursuant to remedies provided in its Mortgage or by a deed in lieu of foreclosure following an Owner's default under the Mortgage shall not be liable for such Unit's unpaid assessments accruing prior to the Mortgagee's acquisition of title to the Unit (except to the extent that any uncollected assessments may be included in any subsequent budget or revision to a budget).

12.3 Restoration. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration and the original plans and specifications, unless other action is approved by at least fifty one percent (51%) of Mortgagees.

12.4 Termination. Any election to terminate the Condominium must require Mortgagee approval as follows: (1) seventy-five percent (75%) in the case of such an election after substantial destruction or a substantial taking in condemnation of the Property and (2) one hundred percent (100%) in all other cases.

### ARTICLE 13. RIGHTS OF DECLARANT

13.1 Reserved Rights. Until the sale by Declarant of all Units in the Condominium, Declarant may:

- (a) but shall not be obligated to, manage and operate the Condominium in accordance with this Declaration, including the right to contract for professional management of the Condominium, subject to Section 4.4.
- (b) use the General Common Elements and any unsold Units on the Condominium in any manner as may facilitate the sale or leasing of all Units including, but not limited to, in connection therewith, maintaining a sales and/or rental office or offices and models and showing the Condominium or maintaining signs.

(c) grant easements upon, over, through and across the General Common Elements as may be required for furnishing any kind of utility services, including, but not limited to, cable television or master antenna service, which easements may be granted to itself or its nominee and/or as may be necessary for excavation and construction of any of the Units.

(d) grant easements upon, over, through or across the General Common Elements for permanent or temporary ingress and egress to and from the Condominium and other real property adjacent to it.

(e) lease Units owned by Declarant on such terms as Declarant desires.

(f) make alterations and changes to the design or exterior materials of any Unit or part thereof during construction.

#### **ARTICLE 14. REMEDIES FOR VIOLATION BY OWNER**

14.1 General Remedies. If any Owner or Occupant fails to comply with the Act, this Declaration, the Bylaws or the Rules, such Owner shall be liable for damages or any other remedy provided by the Bylaws or subject to injunctive relief, or all of the above, as a result of such noncompliance. The Association, or in a proper case, an aggrieved Owner, may bring an action because of such noncompliance.

14.2 Owner Violation; Association Right to Cure. In addition to any other remedies provided herein, if any Owner or Occupant fails to properly maintain its Unit or any part or portion thereof or the Limited Common Elements appurtenant thereto or otherwise comply with this Declaration, the Bylaws or the Rules, which failure continues for a period of fifteen (15) days following written notice from the Association, the Association shall have the right, but not the obligation, to perform or cause to be performed such maintenance, replacement, restoration or other action as the Association deems necessary or appropriate. Expenses incurred by the Association shall be assessed against the Unit and its Owner and shall be subject to all rights and remedies reserved under this Declaration with respect to collection, expenses, late payment penalties or interest, filing of a lien and/or foreclosure as reserved at Article 5 of this Declaration. Once the Association has taken such an action, it may, but shall not be obligated to take any other or further action with respect to the same for a similar or subsequent failure by the same or a different Owner or Occupant of a particular Unit.

#### **ARTICLE 15. SERVICE OF PROCESS**

15.1 Agent. Service of process shall be made on Registered Agent Kansas, Ltd., 10851 Mastin Boulevard, Building 82, Suite 1000, Overland Park, Kansas 66210-2007. Any change in the person or location for the service of process designated by the Association shall become effective upon the recording of notice thereof in the Register's Office.

#### **ARTICLE 16. EASEMENTS**

16.1 Right of Entry. A right of entry to each Unit is reserved to the Association and its agents to service utility installations provided request for entry is made in advance and at a convenient time for the Owner. In case of emergency, entry of a Unit may be made immediately,

whether the Owner or Occupant of the Unit is or is not present and without liability to the Association or its agents. Any damage or loss caused as a result of such emergency entry shall be at the sole expense of the Owner if, in the reasonable judgment of those authorizing the entry, such entry was for emergency purposes.

16.2 Encroachments. If any portion of the Common Elements encroaches upon a Unit or any Unit encroaches upon the Common Elements or upon any other Unit or if any utility lines encroach upon either the Common Elements or a Unit, a valid easement for the encroachment and maintenance of same shall exist for the duration of the encroachment. Minor encroachments of parts of the Common Elements and utility lines due to reconstruction of part or all of a Unit shall be permitted and an easement for such encroachments and the maintenance thereof is prospectively reserved.

16.3 Further Easements. The Board may grant easements over and through the General Common Elements for such purposes as the Board deems reasonable for the benefit of the Owners.

## ARTICLE 17. CONSTRUCTION AND EFFECT

17.1 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders. The term "person" includes all legal entities.

17.2 Including. Whenever used herein, the term "including" preceding a list of one or more items shall indicate that the list contains examples of a general principle and is not intended as an exhaustive listing.

17.3 Captions. The captions and article and section headings in this Declaration are intended for convenience and reference only and in no way define or limit the scope or intent of the various provisions hereof.

17.4 Severability. If any portion of this Declaration or its application to any person or circumstance is held to be invalid or unenforceable, the remainder of this Declaration, or the application of such provision, or any part thereof, to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby. The remainder of this Declaration shall be valid, and enforced, to the fullest extent permitted by law.

17.5 Remedies. All remedies herein are cumulative.

17.6 Waivers. Whenever a waiver, consent or approval is required or permitted herein, it must be express and in writing; no waiver, consent or approval shall be implied. A waiver, consent or approval to any one matter shall not be deemed a waiver, consent or approval to any subsequent matter whether similar or not.

17.7 Assignment of Declarant's Rights. Declarant may from time to time assign any or all of the rights and benefits conferred on or reserved herein for Declarant in its status as such (as opposed to those rights or benefits conferred on or reserved for all Unit Owners or groups

thereof), by an instrument in writing specifically identifying the rights and benefits so assigned which is recorded in the Register's Office.

In Witness Whereof, the foregoing Declaration of Condominium was executed this 6<sup>th</sup> day of January, 2003.

VILLAGES OF SUNNYBROOK, L.L.C.

By: *Jeffrey Gardner*  
Jeffrey Gardner, President

STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF RANSAY )

On this 6<sup>th</sup> day of January, 2003, before me, a Notary Public in and for said state, personally appeared Jeffrey Gardner, who stated that he is the President of VILLAGES OF SUNNYBROOK, L.L.C., a Kansas limited liability company, known to me to be the person who executed the within instrument on behalf of said company and acknowledged to me that he executed the same for the purposes therein stated.

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

AS 60-00  
AB 50-00  
STATE OF KANSAS )  
COUNTY OF JOHNSON ) SS  
FILED FOR RECORD  
2003 FEB -7 P 1:10  
REBECCA L. DAVIS  
REGISTER OF DEEDS

*Donald E. Ness*  
Notary Public in and for said  
County and State  
DONALD E. NESS  
NOTARY PUBLIC - MINNESOTA  
My Comm. Expires Jan. 31, 2005

(Type, print or stamp the Notary's name below his or her signature)

My Appointment Expires:  
1/31/05

**EXHIBIT A**

**THE VILLAGES OF SUNNYBROOK ESTATES, 1ST PLAT, a replat of part of Lot 5,  
SUNNYBROOK, a subdivision in the City of Olathe, in the SE 1/4 of Section 15, T13S, R23E  
of the Sixth Principal Meridian, Johnson County, Kansas.**