

*Indy...
2nd floor*

SETTLEMENT AGREEMENT

On November ____, 2001, Raintree Lake Corporation (hereinafter "RLC"), Property Investment Group, L.L.C. (hereinafter "Investment Group") and the Raintree Lake Property Owners Association, Inc. (hereinafter "RLPOA") enter into this Settlement Agreement (hereinafter "Agreement") with the intent to settle any and all disputes currently existing among them.

RECITALS

A. During the past few months, certain disputes have arisen between RLC, Investment Group and the RLPOA.

B. These disputes resulted in RLC and Investment Group filing in the Jackson County Circuit Court on January 31, 2001, a Petition for Declaratory Judgments, Application for Preliminary and Permanent Injunctions, and Petition for Damages (the "Petition") against the RLPOA, which Petition was amended on May 31, 2001, in the case of *Raintree Lake Corporation, et al., v. Raintree Lake Property Owners Association, Inc.*, Case Number 01CV203144 (the "Lawsuit").

C. On March 14, 2001, the Court issued a Preliminary Injunction, set a trial date for the Lawsuit and ordered the parties to seek to settle their differences through mediation.

D. Through negotiations which flowed from the mediation process, RLC, Investment Group and the RLPOA have agreed to a full settlement of all issues among them and seek to fully and finally resolve all outstanding issues and disputes through this Agreement and to end the Lawsuit. To this end, RLC, Investment Group and the RLPOA agree as follows:

AGREEMENT

1. Consent Judgment: RLC, Investment Group and the RLPOA agree to make a record before the Court which will support a judgment (the "Judgment"), in a form agreed upon by the parties, to be entered by the Court following the hearing, and which fully disposes of all causes of action raised by RLC and Investment Group and all defenses raised by the RLPOA in the Lawsuit in a manner consistent with the terms of this Agreement. The Judgment will specifically address the following issues:

a. January 23, 2001, Proposed By-Law Amendment: The Judgment will declare that all by-law amendments passed by the RLPOA at its January 23, 2001, special meeting are void. The Judgment will affirmatively state that the correct composition of the Board of Directors of the RLPOA is seven (7) directors elected by Class A members and two (2) directors elected by Class B members. The Judgment will also include a provision that the RLPOA must approve any future by-law amendments that affect the voting rights of any class of members by each voting class in accordance with Section 355.601, RSMo.

b. March 23, 1993, By-Law Amendments: The Judgment will declare that the by-law amendment passed by the RLPOA at its meeting on March 25, 1993, setting the present composition of the board of directors of the RLPOA and subsequent actions by the RLPOA board of directors were and are valid. The Judgment will further state, however, that the by-law amendment passed during the March 25, 1993, meeting setting qualifications for directors was invalid because it conflicted with the articles of incorporation (the "Articles") of the RLPOA.

c. Assessments Paid By RLC and Investment Group: The Judgment will declare that RLC and Investment Group have no right to receive a refund of any past assessments paid to the RLPOA.

d. Developer/Declarant Status of RLC and Investment Group: The Judgment will declare that the RLC and Investment Group are the Developers/Declarants as defined and referred to in the declaration of covenants, conditions and restrictions (the "Declaration") for Raintree Lake, effective the end of the first quarter of the year 2000. The Judgment will further state that no future assessments may be made by the RLPOA against property owned by RLC and/or Investment Group in Raintree Lake.

e. Precedence of Covenants: The Judgment will declare that the Declaration takes precedence over the Articles and that the Articles take precedence over the by-laws (the "By-laws") of the RLPOA. To the extent required by inconsistencies in the Declaration, the Articles and/or the By-laws as those documents presently exist, the RLPOA will amend the Articles so that the Articles are in conformity with the Declaration and the RLPOA will amend the By-laws so that the By-laws are in conformity with the Declaration and the Articles.

See 3/2/01

2. The Builder's Contract and Agreement: The RLPOA may require any builder desiring to build a new house in Raintree Lake to enter into a builder's agreement in the form attached as Exhibit 1 (the "Builder's Contract") to this Agreement. The Builder's Contract shall not be modified without the express written approval, which shall not be unreasonably withheld, of RLC and Investment Group, their successors or assigns. If RLC and Investment Group, their successors and assigns, disapprove the RLPOA's proposed modifications, they shall provide the RLPOA the cause or causes of such disapproval in writing. If RLC and Investment Group, their successors and assigns, do not disapprove any such modifications within thirty (30) days of their receipt of the proposed modifications such modifications will be deemed approved.

3. Guidelines for Architectural Control and the Architectural Review Board:

a. Revision of Existing Guidelines for Architectural Control: The RLPOA will revise its Guidelines for Architectural Control so that the guidelines relating to the minimum square footage for new houses specify the square footage minimums required in the Declaration and any supplemental declarations.

b. Revision of New Home Construction Application: The RLPOA will revise the application which must be submitted to the RLPOA architectural review board by anyone seeking to build a new house in Raintree Lake so that the application clearly indicates the square footage minimums required in the Declaration and any supplemental declarations.

c. Representative on RLPOA's Architectural Review Board: The RLPOA, RLC and Investment Group will jointly select a licensed architect to serve on the RLPOA's Architectural Review Board. The RLPOA will be responsible for paying one-half (1/2) of the professional fees charged for the service of the licensed architect while RLC and Investment Group will be responsible for paying the other one-half (1/2) of those professional fees. Any party may terminate this provision of the Agreement by giving ninety (90) days' written notice to the other parties of its intention to terminate.

4. Acceptance of Common Areas by the RLPOA:

a. Agreement Regarding Common Areas that have been Deeded to the RLPOA but not Accepted by the RLPOA: The RLPOA accepts ownership and maintenance responsibility for the common areas indicated on the plats specified in Exhibit 2 to this Agreement. Upon presentation of an appropriate deed, the RLPOA will

accept delivery of the deed and ownership and maintenance responsibility for the common areas which are specified on Exhibit 3 to this Agreement. The RLPOA will agree to accept a deed and maintenance responsibility for the common areas on those plats specified on Exhibit 4 when the deficiencies indicated on Exhibit 4 have been corrected.

b. Agreement Regarding Acceptance of Common Area by the RLPOA:

RLC and Investment Group will maintain complete control over the design of common area. The design of such future common areas will be reasonably comparable to the design for landscaping and improvements to the common area in Plat 7 and Plat 1, Tract 2, which design has been presented to and reviewed by the RLPOA and by this Agreement is approved by the RLPOA. Copies of Plat 7 and Plat 1 are attached as Exhibit 5. RLC and Investment Group agree to place six (6) feet of sod around any bodies of water contained within common area and to place seed in all other areas where necessary. RLC and Investment Group will provide the RLPOA with plans for landscaping and improvements in common area which is platted in the future before work is commenced for RLPOA's review and approval, which approval shall not be unreasonably withheld. If RLPOA disapproves any such plan, it shall provide Investment Group an explanation of the cause for such disapproval in writing. If RLPOA does not disapprove any such plan for cause within thirty (30) days of receiving the plan, such plan shall be deemed approved. RLC and Investment Group will complete landscaping and improvements to common area in accordance with approved plans. The RLPOA will accept deeds and responsibility for the maintenance of common area once all work has been completed pursuant to approved plans.

c. Disputes Regarding Plans for Common Area Landscaping and Improvements and Acceptance of Deeds for Common Area by the RLPOA: In the event that the RLPOA does not approve plans for common area landscaping and improvements submitted by RLC and Investment Group in accordance with paragraph 8(b) or fails to accept a deed and responsibility for maintenance of such improvements after completion of landscaping and improvements, each party will select a representative to serve on an arbitration panel. The two representatives of the parties will select a neutral, third-party arbitrator. Each party will present its position to the three-person arbitration panel. The

panel will then make a written determination concerning the issues presented. The decision of the panel will be final and non-appealable. Each party will bear one-half of the expense of the third arbitrator.

5. Binding Nature of Agreement:

a. This Agreement shall bind RLC and Investment Group, their partners, successors or assigns and shall inure to the benefit of the party released herein, its agents, employees, representatives, insurance carriers, successors, or assigns.

b. This Agreement shall bind RLPOA, its partners, successors or assigns and shall inure to the benefit of the parties released herein, their agents, employees, representatives, insurance carriers, successors, or assigns.

6. Time is of the Essence: The parties will take all necessary and desirable actions following the execution of this Agreement to carry out its terms.

7. Severability: In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement.

8. Construction of Agreement: No inference in favor of or against any party shall be drawn from the fact that such party has drafted any portion of this Agreement, each party having been represented by counsel of their choice with regard to the claims asserted and in the negotiation of the terms and conditions this Agreement.

9. Headings: The headings in this Agreement are for convenience of reference only and shall be given no effect in the interpretation of this Agreement.

10. Mutual Releases:

a. RLPOA's Release: The RLPOA releases and discharges RLC and Investment Group, their employees, representatives, agents, assigns and successors, from any and all claims, demands, actions, causes of action or suits of any kind or nature whatsoever, both known and unknown, to persons and property, which have resulted from actions taken by RLC and/or Investment Group, their employees, representatives, agents, assigns and successors prior to the date of this Agreement. This Agreement is not to be construed as an admission of fault or liability on the part of the RLPOA.

b. RLC's and Investment Group's Release: RLC and Investment Group release the RLPOA, its employees, representatives, agents, assigns and successors, from

any and all claims, demands, actions, causes of action or suits of any kind or nature whatsoever, both known and unknown, to persons and property, which have resulted from actions taken by the RLPOA, its employees, representatives, agents, assigns and successors prior to the date of this Agreement. This Agreement is not to be construed as an admission of liability on the part of RLC and/or Investment Group.

IN WITNESS WHEREOF the parties have set their hands as of the date first above written.

RAINTREE LAKE CORPORATION

By: _____
Name:
Authority:

PROPERTY INVESTMENT GROUP, L.L.C.

By: _____
Name:
Authority:

**RAINTREE LAKE PROPERTY OWNER'S
ASSOCIATION, INC.**

By: _____
Name:
Authority:

EXHIBIT 1 .

Builder's Contract

BUILDER'S CONTRACT & AGREEMENT

THIS AGREEMENT ("Agreement") is made this ____ day of _____, between Raintree Lake Property Owners Association, Inc., a Missouri not-for-profit corporation (herein "RLPOA") and _____, (herein "Owner/Builder"), and in consideration of permission to construct a residence or improvement in Raintree Lake Subdivision, hereby agree to the following terms and conditions:

1. The Architectural Review Board, (herein "ARB") shall have a maximum of thirty (30) days for action on your request. It normally will take much less time. _____
2. This thirty (30) day period begins on the date that the completed "Architectural Review Board - New Home Construction" application and this signed contract is received at the RLPOA office located at 825 S.W. Raintree Drive, Lee's Summit, MO. 64082, and accompanied by two (2) sets of the specified plans on the application. NOTE that all planned driveways, patios and decks on the plot with existing and proposed grades are to be shown. _____
3. Any exterior changes or alterations to the original plans must be submitted and approved by the ARB prior to the work beginning. _____
4. The Builder/Owner and RLPOA agree, in the event the Builder/Owner shall initiate construction of any improvement, alteration, fence, wall, driveway, residence or other structure without prior written approval of the ARB, as outlined in the Raintree Lake Property Owners Association Architectural Review Board Guidelines for Architectural Control, that the Board may request liquidated damages pursuant to Paragraph 13.
5. The Builder/Owner agrees to comply with Article VIII and Article IX of the Declaration of Covenants, Conditions, and Restrictions of the Raintree Lake Property Owners Association. (Copies available upon request at the RLPOA office.) _____
6. The Builder/Owner agrees to comply with all of the Architectural Review Board Guidelines for Architectural control concerning new construction and/or additions to existing homes. (Copies available upon request at the RLPOA office.) _____
7. Builder/Owner shall place gravel at the entrance to the Lot, in accordance with the Lee's Summit ordinance. _____

8. The Builder/Owner agrees to notify subcontractors of the terms and provisions of this Agreement and to use reasonable efforts to ensure compliance by subcontractors with the provisions of this Agreement

9. The storage of dirt and/or building materials on the Common Ground is not permitted. Any use of the adjoining lot must be authorized by the Lot owner prior to use. _____

10. Any abuse to the common ground and/or adjoining lots or building during construction shall be corrected within five (5) working days of notification, including grading and sodding. _____

11. The Builder/Owner shall comply with the City of Lee's Summit ("Lee's Summit") Ordinances governing erosion control. If any Builder/Owner violates provisions of the Ordinances, the RLPOA may give notice and assess liquidated damages pursuant to Paragraph 13. (The parties agree that if a representative of Lee's Summit certifies that there is no violation of the Lee's Summit ordinances governing erosion control, that certification will be taken as conclusive evidence that no violation has occurred

12. The Builder/Owner is expected to keep and utilize a trash receptacle on the construction site until all outside construction is complete. The Builder/Owner agrees to maintain the job site reasonably free of papers, trash, all unusable wood and building debris, taking into account the normal construction process.

13. Unless otherwise stated, the Builder/Owner agrees to pay the following sums as liquidated damages for each violation of this Agreement, unless the RLPOA elects to waive liquidated damages and seek to recover actual damages caused by a violation: first violation, \$100; second violation, \$100; third violation, \$500; and further violations, \$500. This graduated damage structure will only be used for repetitive violations of a particular provision of this Agreement. Liquidated damages will not escalate upon violation of different provisions of this Agreement. Before the RLPOA may claim liquidated damages pursuant to this Agreement, the Builder/Owner must fail to cure the situation which constitutes a violation within five (5) business days after receipt of written notice of non-compliance from the RLPOA. Where a dispute arises regarding the validity of fines imposed on a Builder/Owner either the RLPOA or the Builder/Owner will have the option to appeal any and all alleged violations to the Board of Directors of the RLPOA. If the Builder/Owner does not appeal an alleged violation to the Board of Directors of the RLPOA, or if the Builder/Owner's appeal is unsuccessful, the Builder/Owner will have the right to convene a panel consisting of a representative selected by the RLPOA, a representative selected by the Builder/Owner and a neutral, third-party umpire selected by the representatives selected by the parties. The arbitration panel will make a final, non-appealable determination as to the validity of the fines assessed against the Builder/Owner. The non-prevailing party will be responsible for the fees of the neutral, third-party umpire incurred for the arbitration. If the RLPOA receives

an award by the panel it will have the right to have the award confirmed by any court having jurisdiction to confirm the award.

14. The Builder/Owner is responsible for notifying the RLPOA office that the construction is complete and of the scheduled closing date. _____

WHEN SIGNED BY ALL PARTIES, THIS IS A LEGALLY BINDING CONTRACT.
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.

Agent/RLPOA

Signature/Builder

Company: _____

Date: _____

Date: _____

EXHIBIT 4

Plats indicating deficiencies on Common Areas
for which RLPOA will accept ownership and maintenance responsibility
following correction of the deficiencies

Plat 6 (Tracts 23 & 24) (Waterscape N)**1. *Rock Formations on Waterscape N***

RLC and Investment Group will pull back the top rock on each formation and add rip rap into the voids. This measure will be taken to prevent further erosion in the rock formations.

2. *Rip Rap*

RLC and Investment Group will go in with a bobcat and try to move some of the soil covering up the existing rip rap around Waterscape N. Rip Rap will be added for aesthetics. The additional rip rap will be placed in those areas where rip rap is indicated on the design plan for Waterscape N.

3. *Grading*

RLC and Investment Group will grade in Waterscape N to match lot lines and allow sufficient cover over utilities in the area. The goal will be a uniform grade to the top of the rip rap around Waterscape N.

4. *Storm Sewer Pipe at North End*

RLC and Investment Group will fill the voids under the storm sewer pipe at the North end of Waterscape N. The voids will be filled with grout, concrete and/or rip rap.

5. *Sodding and Seeding*

RLC and Investment Group will place six (6) feet of sod around the pond in Waterscape N and will seed all other areas in which such seeding is required.

6. *Erosion Control*

RLC and Investment Group will place silt fences in the area of Waterscape N when any work is done to prevent siltation into the pond.

EXHIBIT 2

**Plats indicating Common Areas for which RLPOA
has accepted ownership and maintenance responsibility**

Plat 2 (Tracts 5 and 6)

Plat 3 (Tracts 7, 8, 9 and 10)

**Plat 4 (Phase 6(a) [Tracts 11, 12, 13 and 14]; Phase 5 [Tracts 15 and 16]; Phase 6(b) and
6(c) [Tracts 17, 18, 19 and 20]**

Plat 5 [Tracts 21 and 22]