Re: The Highlands Plat 12-A as shown by plat recorded in Plat Book 29 at Page 6 of the Real Estate Records of Boone County, Missouri and all Lots thereof.

THE HIGHLANDS PLAT 12-A ANNEXATION DECLARATION AND DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS OF "HIGHLAND SPRINGS," A DEVELOPMENT WITHIN THE HIGHLANDS IN COLUMBIA, BOONE COUNTY, MISSOURI

[Declaration of Annexation of Additional Parcel, The Highlands Plat 12-A, to "The Highlands," and Declaration of Covenants, Easements and Restrictions of Highlands Springs, a development within The Highlands to be made up of The Highlands Plat 12-A and additional plats and parcels hereafter annexed to the said Highland Springs Development.]

This Declaration of Annexation of Additional Parcel to that development known as The Highlands ("this Annexation Declaration"), and this Declaration of Covenants, Easements and Restrictions of Highland Springs ("this Declaration") is made on this 3rd day of November, 1995, by Highland Properties Co., a partnership of the State of Missouri, acting by and through William F. James, Jr., Dennis R. Harper and E. Stanley Kroenke, its managing partners (hereinafter referred to as "the Developer") [address: 405 Sudbury, Columbia, Missouri 65203].

ANNEXATION DECLARATION

WITNESSETH:

RECITALS AND BACKGROUND MATERIAL

On October 22, 1985 the Developer executed and recorded a "Declaration of Covenants, Easements and Restrictions of 'The Highlands'" dated October 22, 1985, which is recorded in Book 551 at Page 945 of the Real Estate Records of Boone County, Missouri, and which may be referred to herein as "the Declaration" or "the Highlands Declaration." Pursuant to the Declaration, the Developer imposed upon that real estate then constituting The Highlands, Plat 1, certain covenants, easements, restrictions, liens, charges and assessments, as set forth in the Declaration. The Developer still occupies the position of "the Developer," as identified in the Declaration, and as provided for in the Declaration. Pursuant to Article XIII of the Declaration, the Developer reserved the right to annex additional parcels of real estate to the Development provided for by the Declaration, and to make such additional parcels of real estate subject to the Declaration and to the jurisdiction of the Association identified in the Declaration, and to cause the owners of Lots and Units within such additional parcels to be made Lot Owners and Unit Owners and Members of the Association. Pursuant to the Declaration, the Developer further reserved the right to amend the provisions of Article VII (Architectural Control), and Article XI (Use Restrictions), as same apply only to the parcels of real estate annexed to the Development.

The Developer has previously executed various "ANNEXATION DECLARATIONS," annexing various parcels and areas to the Development provided for by the Declaration, including the following:

- The Highlands, Annexation Declaration (with respect to The Highlands Plat 4) recorded in Book 588 at Page 696 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Abrogation and Termination of Annexation Declaration and Modified and Amended Annexation Declaration for The Highlands Plat 2, recorded in Book 566 at Page 817 of the Real Estate Records of Boone County, Missouri;

- The Highlands Annexation Declaration for The Highlands Plat 6, recorded in Book 633 at Page 426 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Annexation Declaration for The Highlands Plat No. 8-A recorded in Book 650 at Page 608 of the Real Estate Records of Boone County, Missouri;

- The Highlands Plat 10 Annexation Declaration for the Highlands Plat 10 recorded in Book 709 at Page 598 of the Real Estate Records of Boone County, Missouri;

- Abrogation of Annexation Declaration for The Highlands Plat 11-A, and the new Annexation Declaration for Lot 1165 only of The Highlands Plat 11-A [which pertains to Lots 1165 only of The Highlands Plat 11-A], recorded in Book 710 at Page 438 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Annexation Declaration for Lots 1101-1117, both inclusive, of The Highlands Plat 11-A (which pertains to Lots 1101-1117, both inclusive, of The Highlands Plat 11-A only), recorded in Book 712 at Page 361 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Plat 11-B Annexation Declaration, which annexed Plat 11-B to the Development, and which is recorded in Book 712 at Page 361 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Plat 10-A, Annexation Declaration, which annexed Plat 10-A to the Development, and which is recorded in Book 731 at Page 416 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Plat 9, Annexation Declaration, which annexed Plat 9 to the Development, and which is recorded in Book 731 at Page 411 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Plat 10-C, Annexation Declaration, which annexed Plat 10-C to the Development, and which is recorded in Book 761 at Page 328 of the Real Estate Records of Boone County, Missouri;

- The Highlands, Plat 11-D, Annexation Declaration, which annexed Plat 11-D to the Development, and which is recorded in Book 769 at Page 610 of the Real Estate Records of Boone County, Missouri;

- The Highlands Plat 8-B, Annexation Declaration, which annexed Plat 8-B to the Development, and which is recorded in Book 812 at Page 792 of the Real Estate Records of Boone County, Missouri; and

- The Highlands Plat 10-D, Annexation Declaration, which annexed Plat 10-D to the Development, and which is recorded in Book 826 at Page 910 of the Real Estate Records of Boone County, Missouri; and

- The Highlands Plat 15-A, Annexation Declaration, which annexed Plat 15-A to the Development, and which is recorded in Book 853 at Page 935 of the Real Estate Records of Boone County, Missouri; and

- The Highlands Plat 15-B, Annexation Declaration, which annexed Plat 15-B to the Development, and which is recorded in Book 901 at Page 389 of the Real Estate Records of Boone County, Missouri; and

- The Highlands Plat 16, Annexation Declaration, which annexed Plat 16 to the Development, and which is recorded in Book 901 at Page 656 of the Real Estate Records of Boone County, Missouri.

The Developer now desires to annex an additional parcel of real estate to the Development provided for in and described in the Declaration, which such parcel has been platted as The Highlands Plat 12-A by the Final Plat of The Highlands Plat 12-A, which has been recorded in Plat Book 29 at Page 6 of the Real Estate Records of Boone County, Missouri. All of the real estate contained within the said Highlands Plat 12-A, as shown by such Plat, and all of Lots 1232 through 1234, both inclusive, 1234-A, 1235 through 1239, both inclusive, and 12120 through 12123, both inclusive, as shown by the said Plat, are located within the "Annexation Real Estate," as described in the Declaration, and the entire parcel constituting The Highlands Plat 12-A is contained within such "Annexation Real Estate," and is eligible for annexation to that Development known as The Highlands, which has been established by the Declaration. The Highlands Plat 12-A and all of said Lots are, therefore, under the terms of the Declaration, eligible for annexation to the Development provided for by the Declaration. The Developer desires to annex The Highlands Plat 12-A, and all real estate contained therein, and each and all of the Lots contained therein, to "The Highlands Development" provided for by the Declaration, and to cause same to be made subject to the Declaration, and to cause each of the Lot Owners and Unit Owners (with the exception of Lot Owners of any Common Area)

to become Lot Owners and Unit Owners of The Highlands and Members of the Association, all as described in the Declaration, and to cause the Lots and Units within the said Highlands Plat 12-A to be subject to assessment as provided for by the Declaration.

Article XIII of the Declaration which provides for "Annexation," provides that as the Developer annexes parcels of the Annexation Real Estate to The Highlands Development, the Developer may nevertheless amend the effects of Article VII (Architectural Control) and Article XI (Use Restrictions) as same apply to the various areas of the Annexation Real Estate which are annexed to the Development. The Developer desires to amend the effects of Articles VII, Architectural Control, and Article XI, Use Restrictions, as same apply to the parcel known as The Highlands Plat 12-A, and the Lots contained therein.

Furthermore, Article XIV of the Declaration provides that the Association may be a "Master Association" for the entire Highlands Development, and that various portions of The Highlands Development " . . . may also be subject to the jurisdiction of other, similar associations . . . ". Article XVI of the Declaration provides that "a Developer or Builder of a specific area or portion of the Development shall be permitted to adopt, approve and record, as to such area, a separate Condominium Declaration or Declaration of Covenants, or a so-called 'Sub-Declaration,' which shall be applicable solely to the living units, Units or Lots specifically subject thereto."

The Developer intends, by this Annexation Declaration, to:

A. Annex The Highlands Plat 12-A to that Development known as The Highlands, and to subject same to the Highlands Declaration, modified and amended as described herein; and

B. Amend the provisions of Articles VII (Architectural Control) and Article XI (Use Restrictions) of the Highlands Declaration, as same apply to The Highlands Plat 12-A and the Lots and Units contained therein; and

C. Establish a "Sub-Declaration," as described in Articles XIV and XVI of the Declaration, for a separate Development included within the Highlands Development, to be known as "Highland Springs," which shall be a part of The Highlands and shall be subject to the Highlands Declaration hereinabove described (modified in those respects described in this Annexation Declaration), and which shall also be subject to the provisions of such "Sub-Declaration"; and

D. Establish a separate, independent Association for such Development, Highland Springs, in order that the Lot Owners and Unit Owners of Lots and Units located within Highland Springs shall be members of, and shall be obligated to pay assessments to, each of:

a. The Highlands Homes Association, which is "the Association" identified in the Declaration for The Highlands Development, and

b. Highland Springs Homes Association, or an Association by a name similar thereto, which shall be a "Sub-Association" for the Highland Springs Development, and as established pursuant to Article XVI of the Declaration for The Highlands Development.

In addition, the Developer desires to make special provisions for:

a. A twenty-five (25) foot perimeter setback, private landscaping and pedestrian easement shown by the plat for The Highlands Plat 12-A, and similar easements which will be shown by additional plats for areas to be annexed to Highland Springs; and

b. The annexation of additional parcels to Highland Springs; and

c. Walkway easements and pedestrian easements and similar easements which may be shown by the plats for the various areas to constitute Highland Springs; and

d. The "Limited Common Area," and "Limited Common Elements," which will constitute the Common Areas and Common Elements only of Highland Springs (as opposed to the entire Highlands Development), and which will be owned by and maintained, repaired and replaced by the Sub-Association described herein; and

e. The "Common Area," which will be located within Highland Springs and which will constitute Common Area for the entire Highlands Development, to be owned by the Association identified in The Highlands Declaration, and will be maintained, repaired and replaced by such Association, as opposed to the Sub-Association created pursuant to this document.

NOW, THEREFORE, in view of the matters hereinabove recited, the Developer hereby covenants, declares, states and agrees as follows:

In view of the matters hereinabove recited, the Developer hereby declares that all of the real estate contained within The Highlands Plat 12-A as shown by the Final Plat of The Highlands Plat 12-A recorded in Plat Book 29 at Page 6 of the Real Estate Records of Boone County, Missouri, and all of Lots 1232 through 1234, both inclusive, 1234-A (which shall be a "Limited Common Area" for the Highland Springs Development created hereby), 1235 through 1239, both inclusive, and 12120 through 12123, both inclusive, as shown by the said plat, and any improvements now or hereafter located thereon, shall be held, sold and conveyed subject to the easements, restrictions, covenants, conditions, liens, charges and assessments set forth in the "Declaration of Covenants, Easements and Restrictions of 'The Highlands'," Dated October 22, 1985 and recorded in Book 551 at Page 945 of the Real Estate Records of Boone County, Missouri (hereinafter referred to as either "the Highlands Declaration" or "the Declaration"), all of which shall constitute easements, covenants, restrictions, conditions, liens, charges and

assessments running with the real estate and the real property, and shall be binding on the Developer and on all parties having or acquiring any right, title or interest in the real property or any part thereof, and shall be binding upon all parties having or acquiring any right, title or interest in that parcel of real estate constituting The Highlands Plat 12-A, or any part thereof, or any Lot or Unit contained therein or any improvements located thereon and shall inure to the benefit of the owners thereof. The Developer further declares, however, that The Highlands Plat 12-A, and all of the Lots thereof hereinabove described, shall be and the same are hereby annexed to the Development provided for by the Declaration ("the Highlands Development"), and that the Lot Owners and Unit Owners of said Lots and of any Dwelling Units located therein, shall become Lot Owners and Unit Owners of The Highlands and shall be and become Members of The Highlands Homes Association, all in that manner provided for by the Declaration, but that the Declaration as it applies to The Highlands Plat 12-A shall be and it is hereby amended as hereinafter described in this Annexation Declaration.

AMENDMENTS TO ARTICLES VII (ARCHITECTURAL CONTROL) AND ARTICLE XI (USE RESTRICTIONS) AS SAME APPLY TO THE HIGHLANDS PLAT 12-A ONLY

As permitted by the Declaration, the Highlands Declaration, the Developer hereby declares that Article VII and Article XI of the Declaration, the Highlands Declaration, as same apply to The Highlands Plat 12-A and the Lots contained therein only, shall be and the same are hereby modified as follows:

FIRST. Amendments to Article VII, Architectural Control. Article VII of the Highlands Declaration shall be and it is hereby amended by striking from the Declaration (as it applies to The Highlands Plat 12-A only) the entirety of Article VII of the Declaration and by substituting in lieu thereof a new Article VII which shall be Article VII of that "Sub-Declaration for Highland Springs," ("the Highland Springs Declaration") hereinafter appearing in this Annexation Declaration, which is to say that Article VII of the Declaration shall be and it is hereby stricken from the Declaration as to The Highlands Plat 12-A and the Lots contained therein only, and there is hereby substituted in lieu thereof for such Lots a new Article VII dealing with Architectural Control, which shall be Article VII of that Sub-Declaration hereinafter set forth.

SECOND. Article XI, Use Restrictions. Article XI of the Highlands Declaration, as it applies to The Highlands Plat 12-A and each of the Lots contained therein only, shall be and it is hereby amended by striking the said Article XI from the Declaration, in its entirety (as it applies only to The Highlands Plat 12-A and the Lots contained therein) and by substituting in lieu thereof a new Article XI, being Article XI of that Sub-Declaration for Highland Springs, which hereinafter appears in this Annexation Declaration. That is to say that Article XI of such Sub-Declaration shall be and it is hereby substituted for Article XI of the Declaration as to The Highlands Plat 12-A and the Lots contained therein only.

Various portions of Lots 1235 through 1239, both inclusive, as shown by the plat of The Highlands Plat 12-A (being those portions of such Lots adjacent to Highlands Parkway) are shown as being subject to "twenty-five (25) foot perimeter setback, private landscaping and pedestrian easements." Such portions of such Lots, as shown by the said plat (and similar portions of Lots as shown by future plats of areas annexed to the Highland Springs Development) shall be and the same are hereby subjected to "Landscaping Easements." The terms and conditions of such Landscaping Easements shall be as follows:

A. The Landscaping Easements shall be irrevocable and permanent and may not be revoked or amended in any manner whatsoever.'

B. Each portion of the Lots imposed by the plat for The Highlands Plat 12-A and any future plats for the Highland Springs Development (i.e., areas hereafter annexed to the Highland Springs Development) with such "private landscaping and pedestrian easements" are hereby imposed with a Landscaping Easement, as hereinafter defined, which shall run with the land of each of said Lots and which shall bind each of the present and future Lot Owners and Unit Owners thereof, and their heirs, personal representatives, legal representatives, successors and assigns and all future owners. The said Landscaping Easements shall run with the land/real estate of each of the said Lots and any Units located therein.

C. The Landscaping Easements shall run in favor of, and shall accrue to the benefit of the Developer and the Developer's successors as the Developer and its assigns, and shall also run in favor of and shall accrue to the benefit of The Highlands Homes Association (hereinafter referred to as "the Association" or "the Highlands Association"), the Association identified in the Highlands Declaration. The Developer and the Association shall have the right, jointly and severally, to enforce the Landscaping Easements and shall be jointly benefitted by such Landscaping Easements. The Landscaping Easements shall, therefore, run in favor of the Developer and the Developer's successors as the Developer and assigns, and the Association and the Association's successors. The rights of the Developer as to the Landscaping Easements shall terminate when the Developer's rights as "the Developer" under the Highlands Declaration have terminated; provided, however, that the rights of the Association as to the Landscaping Easements shall thereafter continue in full force and effect, in perpetuity.

D. The purpose of the Landscaping Easements shall be to perpetually permit the Developer and the Association, and each of them, and their respective designees, contractors, employees, agents and their designees and employees, to enter upon the Real Estate imposed with such Landscaping Easements for purposes of doing the following and any of the following, at any time:

a. Grading the real estate so as to install berms, monuments, benches, walkways, a trail, pedestrian walkways, landscaping, benches and other improvements;

b. Installing, maintaining, repairing, using and replacing sprinkler systems, irrigation systems, lighting systems, benches, pedestrian walkways, monuments and other improvements;

c. Installing, replacing, irrigating, fertilizing, mowing, trimming, weeding, replacing, maintaining and repairing and providing upkeep for trees, shrubs, ground cover, plantings and other landscaping materials (selected by it in its sole discretion) of all kinds and types, and benches, pedestrian walkways, sidewalks, monuments and other improvements of every kind, nature and description whatsoever;

d. Otherwise improving or dealing with or maintaining the visual aspects of the real estate subjected to the Landscaping Easements;

e. At all times to enter upon the real estate subject to the Landscaping Easements to grade, install berms and other scenic improvements upon, install, maintain and replace berms and other scenic improvements thereon, and to install, maintain, repair and replace benches, monuments, pedestrian walkways, sidewalks and other similar improvements thereon, and to install, maintain, repair and replace lighting systems and the wiring therefor, sprinkler and irrigation systems and the piping therefor, and similar improvements; and to install, maintain, repair and replace trees, shrubs, ground cover, plantings and other landscaping materials of all kinds and types to perform all maintenance upon same.

E. Berms, trees, shrubs, benches, walkways, pedestrian walkways, sidewalks, trails, monuments, other plantings, lawns and landscaping materials may be installed within the Landscaping Easements by the Developer or by the Developer's contractors or designees. An easement for the perpetual location, maintenance, repair, keeping and replacement of same, and for the keeping of same, and for the use of same, shall be and it is hereby established, in perpetuity.

F. Any sidewalks, benches (for sitting), walkways and pedestrian walkways and trails hereafter installed by the Developer or the Association within the boundaries of the Landscaping Easements shall be Common Elements of The Highlands Development, and shall be accessible to and may be used by the Lot Owners and Unit Owners of all Lots and Units located throughout The Highlands, and shall be subject to a perpetual easement in favor of such Lot Owners and Unit Owners, the terms of such easement being that such Lot Owners and Unit Owners and the Members of their families, guests and invitees may enter upon the walkways, pedestrian walkways, sidewalks, benches and the areas surrounding same, for purposes of making the use of same for walking, sitting and other uses to which same are obviously intended to be put; provided that all such use must be conducted in a reasonable manner and in such manner as to not interfere with the use and enjoyment of the Lots upon which the improvements are located.

G. The Lot Owners of the Lots imposed with the Landscaping Easements are hereby barred from doing any of the following (and shall not do any of the following) as to the

land located within the boundaries of the Landscaping Easements or any walkways, sidewalks, pedestrian walkways, trails, benches, monuments, plantings, trees, shrubs, lawns, ground cover or other growing materials located within the boundaries of a Landscaping Easements or any monument, bench, walkway, sidewalk, pedestrian walkway, lighting system, irrigation system or other improvement placed by the Developer or the Association therein:

a. From grading the land;

b. From in any manner altering the levels or characteristics or appearance of the land;

c. From digging or excavating upon the land or grading the land;

d. From removing any trees, shrubs, plantings or other landscaping materials installed upon the land by the Developer or the Association;

e. From in any manner altering the appearance of the trees, shrubs, plantings or landscaping materials installed upon the easement real estate by the Developer or the Association at anytime;

f. From installing any improvements, or structures, within the real estate subject to the Landscaping Easements;

g. From placing any fences, walls or similar structures within the real estate subject to the easement;

h. From placing any improvements within the real estate subject to the easement;

i. From engaging in any planting or gardening within the real estate subject to the easement, and from placing any trees, shrubs, or other plants or growing materials within the real estate subject to the easement;

j. From removing, altering in any manner, or in any manner or respects interfering with any lighting system, irrigation system (or any component of same), bench, monument, walkway, sidewalk or pedestrian walkway or other improvements placed within the Landscaping Easements;

k. From in any manner whatsoever interfering with the use by Lot Owners or Unit Owners of Lots or Units located within The Highlands (wherever located) of any sidewalks, walkways, pedestrian walkways, trails, benches or similar improvements placed within the boundaries of the Landscaping Easements.

H. The Association shall be obligated to maintain the:

- Irrigation and sprinkler and lighting systems and improvements;

- Sidewalks and walkways and pedestrian walkways and trails;

- Benches;

- Monuments and other improvements;

- Trees, shrubs and other landscaping materials, ground cover and lawns and other similar items;

- Berms and similar improvements,

placed within the Landscaping Easements as a part of the Common Areas and Common Elements of The Highlands Development, and the Association shall, therefore, at its expense:

a. Provide for the irrigation or watering of lawns, trees, shrubs or other landscaping within the Landscaping Easements;

b. Provide all the mowing, fertilization and other maintenance of all lawns, ground cover and similar items placed within the Landscaping Easements, so as to keep same in a clean, neat, well mowed and tended and weed-free condition;

c. Provide all the trimming and irrigation, fertilization and other maintenance, repair and replacement of all trees, shrubs and other growing materials constituting a part of the landscaping placed within the Landscaping Easements;

d. Provide for the operation of, and the maintenance, repair and replacement of all sidewalks, pedestrian walkways, walkways, benches, monuments and similar improvements placed within the Landscaping Easements and all irrigation and sprinkler systems and all lighting systems, and all components thereof, placed within the Landscaping Easements.

That is to say that all improvements, lawns and landscaping placed within the Landscaping Easements shall be Common Elements of the Highlands Development, and shall be maintained, repaired and replaced as such by the Highlands Association in accordance with the duties and obligations imposed upon the Association by Section 1 of Article VIII of the Declaration.

LOT 1234-A TO BE COMMON AREA OF HIGHLAND SPRINGS ONLY

Lot 1234-A, which is shown by the plat for The Highlands Plat 12-A as "Common Area," shall be and it is hereby declared to be "Common Area" only of the Highland Springs Development created by the Sub-Declaration which appears below in this Annexation

Declaration, and such Lot 1234-A shall not be Common Area of the entire Highlands Development. Rather, such Lot 1234-A shall be Common Area, which shall be owned by, and shall hereafter be maintained, repaired and replaced by the Sub-Association (the Highland Springs Homes Association) hereinafter identified in the Sub-Declaration for Highland Springs, which such Sub-Declaration appears below in this Annexation Declaration.

WALKWAY EASEMENTS

The plat of The Highlands Plat 12-A and plats of additional areas hereafter annexed to the Highland Springs Development may show that certain portions of the Lots are subject to "pedestrian walkways esmts," or to "walkway easements" or similar forms of easements obviously intended for pedestrian walkway purposes. Furthermore, as hereinabove indicated, sidewalks, walkways, pedestrian walkways, benches and similar improvements intended for pedestrian use may be installed within the boundaries of the Landscaping Easements. The intention is that any portion of the land subject to a Landscaping Easement (as described above) upon which a walkway, sidewalk or pedestrian walkway, benches or similar improvements shall be placed, and any portion of any Lot shown by a plat for any portion of the Highland Springs Development as being subject to a "Pedestrian Walkway Esmt," or a "Pedestrian Easement" or a "Walkway Easement" (or an easement by similar description) shall be subject to and are hereby imposed with a perpetual, irrevocable easement for the location, construction, maintenance, repair, replacement, use and upkeep of a path, sidewalk, walkway or other pedestrian path. Each portion of a Lot occupied by the Landscaping Easement upon which any such improvement shall hereafter be installed, and any portion of a Lot subject to any such easement, shall be and it is hereby burdened with a walkway easement, which shall run with the Lot and shall bind the Developer and the Developer's successors in ownership of the Lot. The terms of such easement shall be such that:

A. The easement shall be perpetual and irrevocable and shall run with the land;

B. The easement shall permit the Developer and the Association and each of them and their respective contractors, agents, servants and designees to enter upon the land subject to such easement and to install, build, construct, maintain, repair, replace and improve sidewalks, pedestrian walkways, walkways, benches and similar improvements thereon;

C. All such improvements shall be a Common Area and a Common Element of The Highlands Homes Association, as identified in the Highlands Declaration, and shall be maintained, repaired, replaced and improved by such Association, and shall be kept by the Association for the benefit of all Lot Owners and Unit Owners of Lots and Units located throughout The Highlands Development;

D. All such improvements shall be available to and shall be accessible to each of the Lot Owners and Unit Owners of all Lots and Units located throughout The Highlands

Development, and the members of their family and tenants and renters for reasonable walking, jogging, and similar purposes, and for other purposes for which same are obviously intended.

SUB-DECLARATION FOR HIGHLAND SPRINGS DEVELOPMENT ONLY

[Highland Springs Declaration]

In view of the foregoing Recitals, the Developer does hereby further declare, state and agree as follows:

WHEREAS, the Developer is the owner of that parcel of real estate located in Columbia, Boone County, Missouri, which has been platted as "The Highlands Plat 12-A," by that plat thereof titled "Final Plat of The Highlands Plat 12-A," recorded in Plat Book 29 at Page 6 of the Real Estate Records of Boone County, Missouri, and is the owner of each of Lots 1232 through 1234, both inclusive, 1234-A, 1235-A through 1239, both inclusive, and 12120 through 12123, both inclusive, as shown by such plat, and all land subject to the said plat and shown by the said plat, including such Lots, may hereinafter be referred to as "the Parcel," and said plat may hereinafter be referred to as a "Plat"; and

WHEREAS, the Developer, in addition, owns additional real estate in the vicinity of the said Parcel, The Highlands Plat 12-A, which, together with the Highlands Plat 12-A, is subject to a "Preliminary/Final PUD Plan for The Highlands Phase 12, Planned Unit Development," dated July 19, 1994 and revised August 15, 1994, prepared by Allstate Consultants, and on file with the City of Columbia, Missouri ("the Plan"); and

WHEREAS, the Developer desires and intends, hereafter (but shall not be required), to annex to the Development provided for by this Sub-Declaration additional portions of the land encompassed within the boundaries of the Plan, and all additional portions of the land encompassed by the boundaries of the said Plan may hereinafter be referred to as "the Annexation Real Estate" or "the Annexation Parcel," all of which shall be eligible for annexation to the Highland Springs Development provided for hereby and may become a part of the Parcel; and

WHEREAS, the Developer is desirous of establishing, for its own benefit and for the mutual benefit of all future owners or occupants of the Parcel, and each part thereof, and all Lots and Units contained therein, in addition to the easements, reservations, restrictions, covenants, liens, charges and assessments imposed thereon by the Declaration of Covenants, Easements and Restrictions of 'The Highlands,' recorded in Book 551 at Page 945 of the Real Estate Records of Boone County, Missouri ("the Highlands Declaration") certain additional mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Developer is, therefore, desirous of establishing certain mutually beneficial easements, covenants, restrictions, liens, charges and assessments for its own benefit

and for the mutual benefit of all owners or occupants of that Parcel designated as The Highlands Plat 12-A, and all Lots now or hereafter located therein, and all Units now or hereafter located thereon, together with all additional Parcels hereafter annexed to the Highland Springs Development pursuant to the following provisions of this document and all Lots and Units now or hereafter located therein, and all buildings and improvements now or hereafter situated thereon; and

WHEREAS, the Developer desires to constitute as to the said Parcel designated as The Highlands Plat 12-A and any additional Parcels hereafter annexed to the Highland Springs Development provided for hereby, and all Lots and Units contained therein and all buildings and improvements now or hereafter located thereon, certain easements and rights in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Developer desires and intends that the several owners, mortgagees, occupants and other persons hereafter acquiring any interest in the real estate or any part thereof or any improvements located thereon shall, at all times, enjoy the benefit of and shall hold their interests subject to the rights, easements, privileges, covenants, assessments and restrictions hereinafter set forth, all of which are hereby declared to be in furtherance of a plan to promote and protect the cooperative aspects of the property, and are established for the purposes of enhancing and protecting the value, desirability and attractiveness of the property;

NOW, THEREFORE, the Developer hereby declares that all of the real estate now contained within that Parcel platted as The Highlands Plat 12-A ("the Parcel"), as shown by the plat of The Highlands Plat 12-A (a "Plat") hereinabove described, and any additional real estate hereafter annexed to such Parcel and to the Development provided for hereby by the Developer in accordance with the following provisions of this document, and any improvements now or hereafter located thereon, shall hereafter and henceforth constitute a separate Development known and to be known as "Highland Springs" (which, although subject to the Highlands Declaration hereinabove described and modified in the manner hereinabove set forth in this Annexation Declaration) shall, in addition (together with any improvements no or hereafter located thereon) be held, sold and conveyed subject to the following additional (in addition to the easements, restrictions and covenants appearing in the Highlands Declaration, modified and amended as provided for by this Annexation Declaration) easements, restrictions, covenants, liens and charges, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of such real estate and all improvements now or hereafter located thereon, which such easements, covenants, restrictions, conditions, liens and charges shall run with the real property, and shall be binding on all parties having or acquiring any right, title or interest in the real estate or any part thereof, or any improvements located thereon, and shall inure to the benefit of each owner thereof; such easements, covenants, restrictions, conditions, liens and charges to be as follows:

ARTICLE I

DEFINITIONS AND MISCELLANEOUS TERMS AND CONDITIONS

The following portions of this Annexation Declaration shall, hereafter, be a "Sub-Declaration," which shall apply only to real estate of the Parcel and any additional real estate hereafter annexed to the Highland Springs Development. This instrument shall, therefore, constitute a Declaration applicable to the Highland Springs Development only. It shall apply to the Highland Springs Development in addition to the Highlands Declaration hereinabove identified (modified as set forth in this Annexation Declaration). All Lots and Units now or hereafter located within the Parcel shall be Lots and Units of The Highlands, which shall be subject to the Highlands Declaration, and all Lot Owners and Unit Owners of such Lots and Units shall be Class A Members of The Highlands Homes Association, and shall have all rights, duties and obligations of Lot Owners and Unit Owners for Lots and Units within The Highlands and of Members of The Highlands Homes Association. All Lots and Units now or hereafter located within the Parcel and the owners thereof shall be subject to assessments of and shall be responsible for paying the assessments of The Homes Association, all as described in the Highlands Declaration. Highland Springs is, therefore, a "Sub-Development," within that Development known as The Highlands, and Lot Owners and Unit Owners thereof shall have all of the rights, duties and obligations of Lot Owners and Unit Owners within The Highlands (as defined in the Highlands Declaration). The following parts of this document shall also apply to the Lots and Units within the Parcel, in addition to the Highlands Declaration. For purposes of brevity and clarity the following portions of this document may hereinafter be referred to as "the Declaration." For purposes of brevity, certain words and conditions used in this "Declaration" (the following provisions of this Annexation Declaration) are defined as follows, and the following terms and conditions shall apply:

Section 1. "Association" shall mean and refer to "HIGHLAND SPRINGS HOMES ASSOCIATION" (or a corporation of a name similar thereto, such as "Highland Springs Homes Association of Boone County," etc.), a Not-for-Profit corporation of the State of Missouri, to be established as hereinafter provided in the Declaration, and its successors and assigns. The "Highlands Association" shall mean and refer to the "Highlands Homes Association, a Not-for-Profit corporation of the State of Missouri, which is the Association identified and described in the Declaration of Covenants, Easements and Restrictions of The Highlands recorded in Book 551 at Page 945 of the Real Estate Records of Boone County, Missouri. Lot Owners and Unit Owners shall be members of, and shall have all rights, duties, and responsibilities of members of both such Associations, and shall be subject to assessment by both such Associations.

Section 2. "Parcel" means that parcel of real estate now shown and described by the plat of THE HIGHLANDS PLAT 12-A hereinabove described, and all real estate contained within the boundary lines of such Plat, and all real estate hereafter annexed to the Development provided for hereby in accordance with the following terms of this Declaration dealing with "Annexation"; provided that all real estate hereafter annexed to the Development provided for hereby and to the Parcel must be contained within the boundary lines of the Annexation Real

Estate. "The Annexation Real Estate" or "the Annexation Parcel" shall consist of all land located within the boundaries of land shown by the Preliminary/Final PUD Plan of The Highlands Phase 12, Planned Unit Development hereinabove described to be subject to such Plan ("the Plan").

Section 3. "Property" means all the land, property and space now or hereafter comprising the Parcel, and any amendments thereof, or replats of any portions of the land subject thereto, and all improvements and structures erected, constructed or contained therein or thereon, including any Building or Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

Section 4. "Record" means to record in the Office of the Recorder of Deeds of Boone County, Missouri, wherein the property is located.

Section 5. "Plat" means "the Final Plat of The Highlands Plat 12-A," hereinabove described, and any amendments thereof, and the plats of any additional areas of real estate contained within the Annexation Property which are hereafter annexed to the Development provided for hereby in accordance with the terms of this Declaration dealing with Annexation, and any replats of any Lots or portions of the real estate contained within the boundary lines of such Plats which are now in existence or which are hereafter recorded, and which subdivide all or any portions of the real estate contained within such Plats, or within any Lots contained within such Plats, into Units and Common Area. In other words, Plats of all or any portion of the Parcel shall be included within, and shall be deemed to be referred to by, the word "Plat". Replats or Plats of any individual Lots contained within the Parcel, which subdivide such Lots into Units and Common Area, shall be included within the word "Plat". All Plats, now or hereafter recorded, as to all or any portion of the Parcel (both the present Parcel and any Parcels hereafter annexed to the Development), shall be included within, and shall be referred to by the word "Plat". Any provisions of this Declaration to the contrary notwithstanding, the following provisions as to the Plat and all Plats shall be in full force and effect:

a. The Developer shall have the right to amend any Plat in any manner the Developer, in the Developer's discretion deems appropriate, and shall have the right to change Lot lines, amend Lot lines, subdivide Lots, eliminate Lots, or otherwise amend the Plats; provided that no such amendment may effect land or property not owned by the Developer.

b. Any Plat of a Lot which is executed by an owner other than the Developer, and which subdivides a Lot into Units and Common Area in accordance with the following provisions of this Declaration must be approved by the Developer prior to being recorded, and shall otherwise be void and of no effect.

c. Each Lot which contains one or more Living Units must be divided into one or more Units (there being one Unit for each Living Unit) and Common Area, as provided for by this Declaration, before any Unit or Living Unit within such Lot is conveyed or occupied

as a residence or used as a residence, and the Plat so subdividing such Lot into (a) Unit(s) and Common Area must be approved by the Developer before recording any Plat which does not have such approval shall be of no effect. Any conveyance for use of a Lot or Unit as a dwelling or Living Unit, without such approved platting, shall be prohibited. An approved Plat must be recorded in the Real Estate Records of Boone County, Missouri, before any Lot, or any portion of such Lot, or any Living Unit, or residence or Unit located within such Lot is occupied as a residence;

d. Any of the provisions of this Declaration or of any Plat to the contrary notwithstanding, any portion of any Lot located on the exterior of the Building located on the Lot, and outside the boundaries of any privacy fences, private patios and similar areas, shall be considered to be and shall be Common Area, and shall be treated as Common Area, and shall be deemed to have been conveyed to and to be owned by the Association as Common Area, whether or not conveyed to the Association as Common Area, and the Association shall, as to such areas, have all rights, privileges, powers, discretions, duties and immunities conferred upon the Association as to Common Area by this Declaration, and any such area which would otherwise be "Common Area" hereinabove described in this subparagraph d, which is not conveyed to the Association as Common Area, shall be treated as if so conveyed and shall be subject to a perpetual, irrevocable easement in favor of the Association, the terms and conditions of which shall be such that although such area may be owned by the individual Lot Owner, or Unit Owner, such area shall nevertheless, for all purposes of this Declaration, be treated as if same was Common Area;

e. Marketable fee simple absolute title to each Common Area located within each Lot (as hereinabove defined and described in this Section 5) must be conveyed to the Association, free and clear of all liens, interests, judgments and encumbrances, before the first Unit or Living Unit or residence located within such Lot is occupied as a residence.

Section 6. "Lot" means each of Lots 1232 through 1239, both inclusive (excluding therefrom Lot 1234-A which shall be Common Area), and 12120 through 12132, both inclusive, as shown by the plat of The Highlands Plat 12-A, which shall be Lots of "Highland Springs," the Development provided for hereby, together with any Lots shown by any Plats of any portions of the Annexation Real Estate hereafter annexed to the Development. Certain of the Lots will contain two (2) Units and Common Area (which may also be designated as "Common Units" - such Common Area may be designated as Common Units). Such Lots will be divided into Units and Common Area by a Plat or survey of each such Lot. Certain of the Lots will contain a single Living Unit, but such Lots (even though they contain only a single Living Unit) shall also be divided into a Unit (that portion of the Lot which contains the Living Unit) and Common Area (or a Common Unit) by such a plat or Survey of such Lot. The boundaries of each Unit (i.e., of each Living Unit) shall, therefore, be generally established on a so-called "Zero Lot Line Basis," where the boundaries of a Unit (i.e., the boundaries of that portion of the Lot which contain the Living Unit) include only the exterior wall lines of the Residence/Dwelling/Building, or pursuant to which such boundaries may be expanded, to a reasonably limited extent, so as to include reasonable private patios, gardens, and other

reasonable private areas. The provisions of this Section 6, and any of the provisions of this Declaration to the contrary notwithstanding, the Developer reserves the right, at any time or times of its choosing, and for any reasons which it, in its sole, absolute and unlimited discretion deems appropriate, to amend the Plat by altering Lot lines, and by moving Lot lines, and by subdividing Lots, and by eliminating Lots, and by merging Lots, and by otherwise amending the Plat in any respects whatsoever; but no such amendment may affect any land or property not owned by the Developer. The above provisions of this Section 6 to the contrary notwithstanding, each Lot will contain one (1) or more Units (there being 1 Unit for each Living Unit) and Common Area, and, in any event, all real estate located within the boundary lines of the Lot on the exterior of the Building located upon such Lot, and on the exterior of private patios and gardens privacy areas on the Lot, shall be or shall be treated as Common Area, and shall be deemed to be owned by the Association as Common Area, whether or not conveyed to the Association as such. Any of the provisions of this Declaration to the contrary notwithstanding, any portions of a Lot located on the exterior of the Building located on the Lot, with the exception of those portions located within the boundary lines of the exterior walls of the Building and the boundary lines of any privacy fences, privacy areas or courtyards or similar areas shall be deemed to be owned by the Association as Common Area, and shall be Common Area, and shall be treated as Common Area, whether or not conveyed to the Association, and, in any and all events, shall further be subject to an easement in favor of the Association, the terms of which shall be such that, although record title to portions of the Lot may be owned by the Lot Owner or Unit Owner, same shall nevertheless be treated as Common Area and shall for all intents and purposes under this Declaration be deemed to be a part of the Common Area of the Development. Any of the "Common Area" within a Lot, as hereinabove described shall be "Limited Common Area," meaning that same shall be limited to the use and enjoyment of the Unit Owners of the Unit(s) located within the Lot, and shall not be usable by nor accessible by the Unit Owner(s) of other Units within other Lots and shall not be a general Common Area of the Development or of The Highlands Development; provided, however, that the Association and its Board of Directors, employees, agents, servants, contractors, invitees and their designees shall have the right to enter upon such Common Area at any reasonable time or times for purposes of performing the maintenance, repairs, replacements, servicing and upkeep which it is to perform within each of the Lots and as to each of the Units pursuant to this Declaration.

Section 7. "Living Unit" means that part of a Building designed and intended as a residence for a single family. Each dwelling unit of a duplex structure (i.e., a Two Family Dwelling) would, therefore, be a Living Unit. A single family dwelling (i.e., a One Family Dwelling) or single family residence, would be deemed to contain, and to be a single Living Unit. Each Living Unit shall constitute a part of a Unit. There shall, therefore, be one Unit of the Development for each Living Unit located within the Development. As noted in this Declaration each Living Unit shall constitute a part of a Unit.

Section 8. "Building" means and refers to a separate, distinct, free-standing structure, located within the Development, which contains one (1) or more Living Units. Each structure located within the Development which contains one (1) or more Living Units shall be a Building. Each Building shall be located upon a Lot. Each Lot shall contain only one (1) Building. The

boundary lines of the real estate containing a Building as shown on the Plat, shall be a Lot. Each Building shall contain one (1) or more Living Units.

Section 9. "Unit" shall mean and refer to a portion of a Lot which contains a single Living Unit, but shall not refer to any "Common Units" or "Common Area", which Common Units and Common Area shall be Common Area and Common Elements as defined herein. The term "Unit" shall also include each portion of the Building located upon the Lot which contains a single Living Unit. Every Living Unit located within the Parcel shall be located upon, and shall constitute a part of a Unit, regardless of how the real estate containing such Living Unit shall be described. When a Unit Owner acquires ownership of a Living Unit, or of a dwelling or residence located within the Parcel he shall be deemed to have acquired a Unit, and the boundaries of the real estate acquired by the Unit Owner shall be deemed to constitute a part of the boundaries of a Unit of the Development. The boundaries of a particular Unit may be established by the final plat or survey for the particular Lot within which the Unit is located. The boundaries of a particular Unit shall be deemed to include therein the exterior surfaces of all exterior walls (other than interior, common party walls) of the Living Unit located within the Unit, regardless of where such boundary lines are actually located. The boundaries of a particular Unit shall be deemed to pass through the center line of all interior, common or party walls between such Unit and any adjacent Unit, regardless of where such property lines might actually be located. If a Unit Owner owns the entire Lot containing such Unit Owner's Living Unit then such Lot shall also, for all purposes of this Declaration, be deemed to be a "Unit," and, in such event, the words "Unit" and "Lot" shall be synonymous.

Section 10. "Unit Owner" or "Lot Owner."

A. "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit.

B. "Lot Owner" shall mean and refer to the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Lot. In some cases, as noted above, a Lot may contain only one Living Unit. If any such one Unit Lot is not so subdivided into a Unit and Common Area, then such Lot shall be both a Lot and a Unit, meaning that the Lot Owner shall be the Unit Owner, and vice versa, and meaning that the Lot shall be a Unit and vice versa. Such facts notwithstanding, however, all portions of any such one Living Unit Lot located on the outside of the outside walls of the Building and outside the boundaries of any private lawn areas, private patios and other similarly enclosed private areas, shall be considered to be and shall be treated as Common Area, as if owned by the Association, whether or not such real estate is, in fact, conveyed to the Association, and shall be subject to a perpetual, irrevocable easement in favor of the Association and its contractors, employees and designees, the terms of which such easement shall be such that all such area shall be treated as if same were Common Area.

Section 11. "Common Area" for purposes of this Declaration/document shall mean and refer to only that Common Area which is to be owned by or which is to be maintained, repaired

or replaced by the Association or the improvements upon which the Association is to provide maintenance, repairs, replacements, servicing and upkeep. "Common Area" under this Declaration shall not, therefore, include the Common Area located within the Highland Springs Development which is to be Common Area for the entire Highlands Development (including, but not limited to, Highland Springs). Lot 1234-A as shown by the Plat of The Highlands Plat 12-A is hereby designated as "Common Area" for purposes of this Declaration, meaning that same shall be owned by (or shall be treated as if owned by, whether or not conveyed to) the Association identified in Section 1 above (the Highland Springs Development) alone as opposed to being a Common Area of the entire Highlands Development. "Common Area" shall also be deemed to mean all real property, real estate and improvements to real estate located within each Lot outside the boundaries of the Buildings located upon the Lot and any private lawn areas or privacy areas for the Unit Owners, as hereinabove described in Section 6, as all areas of a Lot beyond such boundaries are to be treated as Common Areas, even though same may not be identified or conveyed to the Association as such; as the Association is to provide maintenance, repairs, replacements, servicing and upkeep with respect to same, as hereinafter described in this document.

Section 12. "Common Elements" means the Common Area as identified in Section 11 above and as hereafter identified from time to time, and all buildings and improvements located thereon.

Section 13. "Declaration" means this instrument.

Section 14. "Developer" shall mean HIGHLAND PROPERTIES CO., a partnership of the State of Missouri, and any person or persons to whom the said HIGHLAND PROPERTIES CO. shall assign all or any part of its rights as the Developer under the terms of this Declaration. A conveyance by the Developer by Warranty Deed or otherwise shall not be deemed to be an assignment of any of its rights as the Developer hereunder, unless such rights are specifically mentioned in such Warranty Deed or other conveyance. Such rights can otherwise be assigned only by an assignment, by the Developer, which specifically refers to the rights of the Developer under this Declaration. The above provisions of this Section 14 to the contrary notwithstanding, and any of the provisions of this Declaration to the contrary notwithstanding, any deed of trust, mortgage instrument or security instrument, executed by the Developer (as hereinabove identified) as to a Lot, or Lots within the Parcel, or as to any real estate within the Parcel consisting of more than one (1) Unit, shall be deemed to include therein (even though not specifically mentioned therein) in addition to the real estate described therein, all Class B voting rights attributable to such real estate, and all rights as Developer (including any Architectural Control Rights) attributable to such real estate, and shall be deemed to provide a lien against, and security interest in such Class B voting rights and all such rights as the Developer. It shall not be required that any such deed of trust, mortgage or security instrument specifically refer to the Class B voting rights or rights as the Developer.

Section 15. "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

Section 16. "Class A Member" shall mean a Class A Member of the Association and shall mean a Unit Owner of a Unit owned by a person other than the Developer or a Builder and its assignees; provided that if the Developer holds a Unit for rental or lease purposes, it shall be the "Unit Owner" with respect to such Unit, and shall be deemed to be a "Class A Member" with respect to such Unit held for rental or lease purposes. If a Unit is rented or leased by the Developer, or any assignee of any of the Developer's rights hereunder, or any Class B Member, then, immediately upon the renting or leasing thereof, the Unit Owner of such Unit (regardless of whether same is the Developer or any assignee of the Developer or the holder of any other Class B membership rights) shall become a Class A Member of the Association with respect to such Unit, and shall, with respect to such Unit, be subject to assessment as a Class A Member. Such Unit shall continue after such renting or leasing to be a Unit to which Class A membership rights and duties and obligations attach. The qualifications for Class A membership are set forth below in Article II.

Section 17. "Class B Member" shall mean a Class B Member of the Association and shall mean the Developer or any person to whom the Developer shall have assigned all or a portion of its rights as the Developer under the terms and provisions of the Declaration. Except as hereinabove specifically provided in Section 14 to the contrary, with respect to Deeds of Trust, mortgages or security instruments executed by the Developer, a conveyance by the Developer by Warranty Deed, Deed of Trust or other conveyance shall not be deemed to be an assignment of any of its rights as the Developer, unless such rights are specifically mentioned therein. Such rights can otherwise be assigned only by an assignment, by the Developer, which specifically refers to the rights of the Developer under this Declaration.

Section 18. "Development" shall mean the Parcel (including any portions of the Annexation Real Estate hereafter annexed to the Parcel, if any), and all Buildings and improvements located thereon, and all Lots and Units therein, and all rights pertinent thereto, all of which shall be known as "Highland Springs."

Section 19. "Limited Common Elements" means and includes those Common Elements which are reserved for the use of the owners or occupants of a certain Unit or certain Units, to the exclusion of all other Units and the owners or occupants thereof.

Section 20. "Limited Common Areas" means and includes those Common Areas which are reserved for the use of a certain Unit or certain Units, and the owners and occupants thereof, to the exclusion of all other Units, and the owners and occupants thereof. All areas of any Lot or of any Unit which would be designated as Common Area, or which shall become Common Area, shall be "Limited Common Area," and same shall be limited to use by and enjoyment by the owners of the Unit(s) located within such Lot or Unit.

Section 21. "Builder" means and refers to an individual, company or corporation who or which builds or constructs a Building containing Living Units. The term "Builder", can include both the Developer, and individuals or companies, other than the Developer, who build or construct improvements located within the Development. The Developer may sell a Lot or

portions thereof, to a Builder, other than the Developer, for purposes of building or constructing improvements located within such Lot; provided, however, that all such improvements shall be constructed pursuant to the Planned Development Plan for the Development, as approved by the City of Columbia, Missouri, and only in accordance with the Architectural Control provisions set forth in Article VII of this Declaration. As elsewhere indicated in this Declaration, the Developer may sell a Lot, or portions thereof, to a Builder, other than the Developer, without assigning the Class B votes attaching to such Lot, or portion thereof. The Developer may also, in addition to the sale of the Lot or portion thereof, assign to a Builder, by specific reference thereto in the Deed or conveyance, or by a separate written instrument, the Class B voting rights attributable to the Lot or portion thereof transferred to the Builder. There shall not be deemed to be any transfer to such Builder of the Class B voting rights or rights of the Developer attributable to the land conveyed unless same are specifically mentioned in the Warranty Deed or conveyance, or are conveyed by separate written assignment. As hereinabove indicated, if the Developer does convey a Lot to a Builder, then before the first Unit, or Living Unit located within such Lot may be occupied or used as a residence, the following must occur:

a. If the Lot contains more than one Living Unit then the Lot must be subdivided into Units and Common Area, by a Plat before the first Unit within such Lot is occupied as a dwelling; and

b. If a Lot contains only a single Living Unit (i.e. a single family house), then such Lot may or may not be divided into a Unit and Common Area as the Developer shall direct; provided, however, that it is understood that all areas of such Lot outside the boundaries of the Building on the Lot and any privacy areas, private patio areas and similar areas within the Lot shall be treated as Common Area and shall be treated as if owned by the Association as Common Area, whether or not owned as such; and

c. Any Plat subdividing a Lot into Units or a Unit and Common Area must be approved by the Developer and must be recorded in the Real Estate Records of Boone County, Missouri;

d. Marketable fee simple absolute title to the Common Area contained with such Lot, as shown by the Plat, must be conveyed to the Association, free and clear of all liens, interests, judgments and encumbrances; and

e. Whether or not the Common Area is so conveyed to the Association, it should be deemed to be owned by the Association, and shall be treated as Common Area; and

f. All areas located within the Lot on the exterior of the Building located upon such Lot, and on the exterior of the privacy fences, courtyards privacy areas located within the Lot, shall be deemed to be, and shall be Common Area, and shall be deemed to be owned by the Association as such, but all of same shall be Limited Common Area which is limited to the Unit Owners of any Unit(s) within the Lot.

ARTICLE II

MEMBERSHIP IN THE ASSOCIATION

Every Unit Owner of a Unit which has been conveyed or rented by the Developer or its assignees, or successors in ownership, or which is used as a residence, shall automatically be a Class A Member of the Association, shall be subject to the jurisdiction of the Association, shall be subject to assessments levied by the Association under the following provisions of the Declaration, and shall be entitled to all rights and privileges of Class A membership in the Association. Class A membership in the Association shall not be optional. There shall be one (1) Class A membership attributable to each Unit. Class A membership shall automatically attach to ownership of a Unit, and ownership of a Unit shall subject the Unit Owner thereof to all duties and obligations of Class A membership, and to assessments levied by the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation as members of the Association. There shall be one (1) Class A membership in the Association appurtenant to the ownership of any Unit which is subject to assessment by the Association. Class A membership in the Association shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Class A membership in the Association cannot, under any circumstances, be partitioned or separated from ownership of a Unit subject to the jurisdiction of the Association. Any covenant or agreement to the contrary shall be null and void. No Unit Owner shall execute any deed, lease, mortgage or other instrument affecting title to his Unit ownership without including therein both his interest in the Unit and his corresponding membership in the Association, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage or instrument purporting to affect the one without including also the other, shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein. The Developer, or those to which it assigns all or any part of its rights as the Developer under the terms of the Declaration shall be the sole Class B Members of the Association. The Developer, and those to which it assigns all or any portion of its rights as the Developer under the terms of the Declaration shall become Class A Members upon and following the termination of Class B memberships as hereinafter provided in the Declaration, for each Unit in which they hold the interest required for Class A membership by this ARTICLE II. The Developer and its assignees, and successors, shall, before the termination of Class B memberships, also be Class A members for each Unit held for rental or lease purposes and for each Unit owned by them which is occupied as a residence; any Units being held for rental or lease purposes or occupied as residences being automatically deemed to be Class A Units, which are subject to assessment under the following provisions of this Declaration. Except as hereinabove specifically provided to the contrary in Section 14 of ARTICLE I of this Declaration with respect to Deeds of Trust, mortgages and security instruments executed by the Developer, rights of the Developer shall not otherwise be deemed to be assigned by any Warranty Deeds or other conveyances made or given by the Developer, unless such rights are specifically mentioned therein. Rights of the Developer, including Class B voting rights, can otherwise be assigned only by a written assignment, properly recorded, which specifically refers to the rights of the Developer hereunder, and the Class B voting rights,

and assigns all or a portion of such rights. The Developer can assign all or a portion of its Class B voting rights, hereinafter set forth, to other Builders who build within the Development, but such assignment shall be made solely by a specific reference in the Deed or conveyance, or by a separate written assignment which specifically refers to such rights, and is properly recorded. If any Class B voting rights are so assigned by the Developer to other Builders or Developers, the assignee shall be deemed to lose one (1) Class B vote for every Unit conveyed, leased or rented by him or it to another person. If a Unit is sold, leased or rented by the Developer, or any assignee of the Developer's rights hereunder, or the holder of any Class B membership rights hereunder, or if a Unit is occupied as a residence, then the Class B membership, if any, attributable to such Unit shall cease, and such Unit shall automatically have (from the date of the first sale, renting, leasing or occupancy thereof) a Class A membership attributable thereto and attached thereto, and the Unit Owner of such Unit shall become, with respect to such Unit, a Class A Member, subject to all duties, obligations, assessments, rights and privileges of Class A membership attributable to such Unit, regardless of whether such Unit Owner is the Developer or any other Class B Member. If a Unit is rented or leased by the Developer or any other Class B Member, or any assignee of any of the Developer's rights hereunder, or if a Unit is occupied as a residence, then such Unit shall be deemed to have been "conveyed", for purposes of determining the termination of Class B membership rights under the terms of ARTICLE III hereof. Notwithstanding anything to the contrary hereinabove set forth in the Declaration, in the event a Class A membership has not earlier attached to a Unit under the above provisions of this ARTICLE II, such a membership shall attach to such Unit, and the Class B membership attributable to such Unit shall terminate, if not earlier terminated, upon the earliest to occur of the following events:

(a) Twelve (12) months have expired following substantial completion of the Building upon the Unit, or containing the Living Unit upon the Unit;

(b) Twenty-four (24) months have expired following the start of work for the construction of a Building upon the Unit, or containing the Living Unit upon the Unit;

(c) Class A memberships have been attached to all other Units located within the Lot within which the Unit is located for a period of six (6) months; or such Class A memberships have attached to all other Units containing the Building, a portion of which occupies such Unit, for a period of six (6) months;

(d) Such Unit has been conveyed, rented or leased to someone other than the Developer or the Builder who builds the Building containing the Unit or located on the Unit;

(e) Such Unit or the Building situated therein or the portion of the Building situated therein is occupied by anyone as a residence.

ARTICLE III

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall have one (1) vote at all meetings of the Association for each Unit in which they hold the interest required for Class A membership by ARTICLE II of the Declaration. When more than one (1) person holds such an interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. The Developer, and those to which it assigns all or any portion of its rights as the Developer, under the terms of this Declaration, shall, initially, in the aggregate, be entitled to ninety-five (95) Class B votes. It is anticipated that the Development, when completed, will contain approximately twenty-four (24) Lots, which will contain two (2) Units, and approximately forty (40) Lots which will contain one (1) Unit. Two (2) Class B votes are attributable to each of the Lots which will contain two (2) Units and one (1) Class B vote is attributable to each Lot which contains one (1) Unit. However, in addition, there are additional Class B memberships and Class B votes attributable to Lots located within and to be located within the Development. The aggregate number of Class B votes from time to time in existence shall be reduced as follows:

(a) If a Lot which may contain or which is permitted to contain two (2) Living Units (two Units) is conveyed by the Developer, without an assignment of the Class B votes attributable thereto, then the number of Class B votes shall be reduced by the number of Units contemplated for such Lot.

(b) If a Lot intended to contain one (1) Living Unit/Unit is sold or conveyed by the Developer, without an assignment of Class B voting rights attributable thereto, then the number of Class B votes shall be reduced by the number "one (1)".

(c) The number of Class B votes shall be reduced by the number "one (1)," as each Unit retained by the Developer or owned by the Developer is first sold, rented, leased or otherwise disposed of, or is first occupied as a residence, unless the Class B vote attributable to the Unit has otherwise been previously terminated in accordance with the above provisions of this ARTICLE II.

(d) In any event, the Class B vote attributable to a Unit shall cease and terminate as hereinabove provided in ARTICLE II of this Declaration, and all Class B votes shall cease and terminate as hereinafter provided in this ARTICLE III of this Declaration.

All Class B voting rights and Class B memberships in the Association, if not earlier terminated shall, in any event, cease and terminate upon the happening of the earliest of the following events to occur:

(a) When all Class B memberships as to all existing Lots and Units then contained within the Parcel and the Development have terminated, and when more than sixty (60) months have expired without additional Lots being annexed to the Development; or

(b) On January 1, 2025; or

(c) The Developer so determines at an earlier date by recording, in the real estate Records of Boone County, Missouri, a written instrument evidencing such determination on the Developer's behalf.

A failure of the Developer to cast its Class B votes or to exercise any of its rights as the Developer shall not constitute a waiver of such votes or such rights. If the Developer on any occasion elects not to cast its Class B votes (and it may elect to do so if it, in its sole, absolute, unlimited and unmitigated discretion deems it appropriate to do so), and if it permits all members of the Board of the Association to be elected for any year by the Class A members of the Association (which it shall be permitted to do), it shall not, under any circumstances whatsoever, have waived its right to cast such Class B votes at any time in the future. In other words, the Developer may from time to time relinquish control of the Association by not casting its Class B votes, and then reassert such control at any later time or times of its choosing.

Automatically, on the date of termination of a Class B membership attributable to a Unit, a Class A membership shall attach thereto.

ARTICLE IV

UNITS

All Units shall be legally described by the identifying letter, number or other designation pertaining to such Unit, as shown on the Plat, and every such description shall be deemed good and sufficient for the purposes. Any description of a Unit shall be deemed to include and convey, transfer, encumber or otherwise affect the Owner's corresponding membership in the Association, though the same is not expressly mentioned or described therein. Ownership of a Unit and of the Owner's corresponding membership in the Association shall not be separated nor shall any Unit, by deed, plat, court decree or otherwise be subdivided or in any other manner separated into tracts or parcels smaller than the whole Unit. No Unit Owner shall by deed, plat, lease or otherwise subdivide or in any other manner, cause his Unit to be separated into any tracts or parcels smaller then the whole Unit. Nothing contained herein, however, shall prevent partition of a Unit as between co-owners thereof, if such right of partition shall otherwise be available, but such partition shall not be in kind. No Unit Owner shall own any sewers, pipes, wires, conduits, or utility lines, contained on, within, or beneath his Unit, which serve Units in

addition to his Unit as such items, if not publicly owned, shall be deemed to be a part of the Common Elements. Any sewer lines, electrical lines, water lines, or other utility lines or equipment, contained within the Parcel, or which make up a part of the Property (including those within the boundary lines of any Units), other than those publicly owned, which service more than one Unit, shall be deemed to be a part of the Common Elements, and shall be owned by the Association for the benefit of all Units served thereby, and the Unit Owners of such Units, and shall be maintained by the Association as a part of the Common Elements, for the benefit of the Unit Owners of the Units served by such sewer lines, water lines, electrical lines and utility lines, and the Unit Owners of any Units within the boundary lines of which such lines or equipment are located shall be required to afford access, at any reasonable time, to the Association for the purposes of performing necessary maintenance or repair upon or replacement of such lines or equipment; provided, however, that notwithstanding anything to the contrary at any place appearing in this Declaration, all costs of repair, maintenance and replacement of such lines or equipment which are designated hereby as "Common Elements", shall be shared, equally, by the Unit Owners of the Units serviced thereby and such Unit Owners shall be required to reimburse the Association, forthwith, for all of its costs and expenses incurred in repairing and replacing such lines or equipment. The provisions of this ARTICLE IV are not intended to provide that individual "customer service lines" or "laterals", or sewage lines, water lines or other utility lines which service only one Unit shall be made a part of the Common Elements, as such lines (regardless of whether located within the boundary lines of Units or the Common Areas) shall be deemed to be owned by the individual Unit Owners of the Units serviced thereby, who shall be required to repair, maintain and replace same at their sole expense, and, in the event, utility lines or sewer lines or facilities serving another Unit are located within the boundary lines of a Unit other than the Unit so served thereby, the Unit upon which or within which same are located shall be imposed with an easement, in favor of the Unit served thereby, for the continued location, maintenance, servicing and repair thereof, and the Owners of the Unit occupied by same, shall be required to afford access to the Owners of the Unit served thereby, at all reasonable times for the purposes of performing necessary maintenance, repair or replacement of such utility lines, facilities or equipment. Each Unit, within the boundary lines of which a sewer line, water line or utility line servicing more than one Unit, or servicing another Unit, exists, shall be imposed with an easement, in favor of the Association, and in favor of the Unit or Units served by such lines, for purposes of affording the Association and the Owners of the Units served by such lines, access to maintain, repair or replace such line or lines, provided that the Association or the Unit Owners performing the maintenance, repair or replacements, or causing same to be performed or on whose behalf same are performed, shall be liable for all damage and disruption of the Unit caused by same, and shall promptly restore the Unit to its previously existing condition. As hereinabove indicated, the boundary lines of the Unit(s) on a Lot shall be established on the "zero lot line" concept; provided that same may include reasonable private lawn areas/privacy areas. Each Lot (whether it contains one or more Living Units) must be subdivided into (a) Unit(s) [there being Unit for each Living Unit] and Common Area. If a Lot containing a single Dwelling Unit is not subdivided into a Unit and Common Area, then the entire such Lot shall, for all purposes under this Declaration, and for all purposes under this ARTICLE IV, be deemed to constitute a Unit, and the boundary lines of such Lot shall constitute a Unit. Any of the provisions of this

Declaration to the contrary notwithstanding, no Lot contained within the Development which is conveyed by the Developer shall be subdivided into Lots or parcels smaller than the whole Lot, except for purposes of subdividing such Lot into Units and Common Area, in a manner consistent with this Declaration. Any provisions of this Declaration to the contrary notwithstanding, the Developer reserves the right to subdivide Lots, to amend Lot lines, to change Lot lines, to alter Lot lines, to replat the Lot and to otherwise amend the Plat. The boundary lines of real estate containing a Building shall constitute a Lot for all purposes. As hereinabove indicated in this Declaration, all portions of a Lot located on the exterior of the Building, other than those portions located within the boundary lines of any privacy fences, private patios, courtyards or privacy areas, shall be subject to an easement in favor of the Association, the terms of which shall be such that such portions of the Lot, even though owned by the Lot Owner or Unit Owner, shall, for all intents and purposes, be treated as Common Area.

ARTICLE V

THE ASSOCIATION

Section 1. Formation. The Developer, upon the sale of one or more Units, shall cause to be incorporated, a not-for-profit corporation under the laws of the State of Missouri, to be called HIGHLAND SPRINGS HOMES ASSOCIATION, or a name similar thereto. The responsibility of the Association shall be more fully described by the following terms of the Declaration. Upon the formation of such Association, every Unit Owner then holding or thereafter acquiring an interest in a Unit required for Class A membership under the terms of ARTICLE II of the Declaration shall automatically become a Class A Member therein, and the Developer and its assignees shall hold those Class B membership rights hereinabove provided for by the Declaration. A Unit Owner's Class A membership shall terminate upon the sale or other disposition by such Unit Owner of his Unit Ownership at which time the new Unit Owner shall automatically become a Class A Member of the Association. Membership in the Association is not optional. When a Unit Owner acquires ownership of a Unit, such Unit Owner shall automatically become a Class A member of the Association, and shall automatically be subject to assessment by the Association as hereinafter provided for in this Declaration.

Section 2. Articles of Incorporation and By-Laws. The Association shall have as its Articles of Incorporation and By-Laws such Articles and By-Laws as are attached hereto as "**Exhibit A**" and "**Exhibit B**" respectively. Such Exhibits are incorporated herein by reference.

Section 3. Administration. The Development shall be administered by the Association, which, in turn, shall be managed by a Board of Directors elected and constituted as hereinafter provided in this Article. The Board of Directors shall have general responsibility to administer the Development, approve the annual budget of the Association, provide for the collection of annual, special, monthly or other assessments from Members, and arrange and direct or contract for the management of the Development and otherwise administer with respect to any matter generally pertaining to enhancing, maintaining, benefitting and promoting the Development.

Section 4. Board of Directors. The Board of Directors of the Association shall consist of five (5) directors until Class B Voting Rights end. The members of the first Board of Directors of the Association, as named in the Association's Articles of Incorporation, shall serve until the first annual meeting of the members of the Association, and until their successors are duly elected and qualified. Thereafter, so long as there are Class B voting rights in existence, three (3) of such Directors shall be natural persons (who need not be Unit Owners) elected by the Class B Members, and two (2) of such Directors shall be natural persons, holding ownership interests in Units (other than the Developer, and those to which it has assigned all or any portions of its rights as the Developer) elected by the Class A Members of the Association. After all Class B voting rights have ceased to exist, the Board of Directors shall consist of three (3), five (5) or seven (7) [as determined annually by the Board of Directors] natural persons, who shall be holders of ownership interests in Units, elected by the members of the Association. The Directors shall be elected in that manner, and for those terms, specified by the By-Laws, except as hereinabove provided to the contrary.

Section 5. General Powers and Duties of the Association. The Association, for the benefit of all Unit Owners and their lessees, shall provide for, and shall acquire and shall pay for out of the maintenance fund hereinafter provided for, the following:

(a) Waste removal, water, electricity and telephone and other necessary utility service for the Common Elements and Common Area;

(b) To obtain and maintain a policy or policies insuring the Association, its members, and its Board of Directors against any liability to any persons, including Unit Owners or their invitees or tenants, instant to the ownership and/or use of the Common Area or Common Elements, the liability under which insurance shall be of the limits determined by the Association's Board of Directors, but shall never be less than One Million Dollars ($1,000,000.00) single limit coverage, for injuries to or death of any one person or for injuries or deaths arising out of any one occurrence. Such limits shall be reviewed annually by the Association's Board of Directors and may be increased in its discretion. Such insurance shall be payable to the Association in trust for the benefit of the Unit Owners. The Association shall also obtain Worker's Compensation Insurance to the extent necessary to comply with any applicable laws.

(c) Upon ten (10) days notice to the manager or the Association's Board of Directors, and upon the payment of a reasonable fee set by the corporation's Board of Directors, to furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing by such Owner.

(d) When the Association's Board of Directors, in its sole and absolute discretion, deems it advisable to do so, to retain the services of a professional manager or management firm or managing agent to fulfill the Association's obligations, and to retain the services of such accountants, attorneys, employees and other persons as the Association's Board of Directors shall, in its sole and absolute discretion, deem necessary in order to discharge the

Association's duties. The designation and removal of personnel necessary to discharge, the Association's obligations for the maintenance, repair and replacement of the Common Elements and the exteriors of Buildings located on the Units and Lots shall be made by the Association's Board of Directors, or as they direct the manager, or management firm, if one is employed, or the managing agent, if one is employed. The Association's Board of Directors shall have the sole and absolute discretion to retain such a manager, management firm or managing agent. (Notwithstanding anything to the contrary hereinabove set forth in this subpart (d) of this Section 5, or at any other location in this Declaration, any management contract entered into with any manager, management firm or managing agent prior to the termination of Class B voting rights hereunder shall not, in any event, have a term exceeding five (5) years, or extending beyond the date of termination of Class B voting rights as hereinabove provided for, whichever would provide the shorter term. The Association or its Board of Directors shall not delegate any of its responsibilities for a term exceeding five (5) years, or extending beyond the termination of Class B voting rights, prior to the conclusion of Class B voting rights, and shall not, prior to the termination of such Class B voting rights, employ any professional manager, managing agent or management firm for a term exceeding five (5) years, or extending beyond the termination date of Class B voting rights, whichever shall provide for the shorter term.) Any delegation by the Board of Directors of any of its duties, powers or functions to a manager or managing agent must be revocable upon no more than six (6) months written notice from the Association.

(e) To provide for the cutting of all grass within the Property, other than that located within any privacy fences or courtyards, and for the irrigation of all lawns, trees and shrubbery and the like within the Property, other than those located within the boundaries of any privacy fences or courtyards (provided, however, that if a separately metered water system for the Association is not provided, then all lawns, trees, shrubbery and the like located within the boundary lines of the individual Lots shall be irrigated by the Association, but shall be so irrigated at the expense of, and using the water provided by the individual Unit Owners of Units located within each Lot, which such Unit Owners shall equally provide to the Association), and for the landscaping, gardening, maintenance and replacement (with the exception of irrigation, which is hereinabove described) of all lawns, trees, shrubbery and landscaping within the Development and the Property (provided that all lawns, trees, shrubbery, landscaping and plantings located within the boundary lines of the Units which are dead, or dying, or which require replacement, shall be replaced by the Unit Owners and that all gardening, landscaping, mowing, fertilization and servicing within private lawn areas, courtyards or privacy fences shall be performed by the Unit Owner), and for the maintaining of all private streets and roads and all driveways, walkways, sidewalks and parking areas which are a part of the Property (provided that any substantial maintenance or any replacements of any drives, walks, walkways, patios or parking areas within the Units shall be performed by the Unit Owners), and for the maintenance of all sewer lines and utility lines located within the boundary lines of any of the Units, or the Common Area, which serve more than one (1) Unit (provided, however, that the costs of all maintenance and replacements of such sewer lines and utility lines which serve more than one (1) Unit, and less than all Units, shall be charged equally to, and paid equally by the owners of the Units serviced by such lines); and to provide reasonable snow removal for the Common Elements and walkways and driveways located on the street side of the Units; and to provide for

such furnishings, equipment and additional insurance for the Common Areas and Common Elements as the Board of Directors shall determine necessary and proper, and the Association's Board of Directors shall have the exclusive right and duty to acquire same for the Common Areas and Common Elements. The Association shall not provide any cosmetic maintenance, or other maintenance, for the exteriors of the Buildings located upon the Units, or any roof repair or replacement or gutter or downspout repair or replacement, which shall be provided by the Unit Owners, or any other maintenance or repairs or replacements for the Units or the Buildings located therein, all of which shall be provided by the Unit Owners in that manner hereinafter described.

(f) To maintain and replace, when necessary, all streets, roads, driveways, parking areas, sidewalks and walkways within the Common Areas, which are not publicly owned or dedicated, and all walkways and pathways within the Common Areas, all of which shall be a part of the Common Elements.

(g) To establish rules and regulations governing the streets, roads, driveways, parking areas, sidewalks and walkways within the Property and the Parcel, and governing the Common Area and Common Elements so as to provide reasonable protection for the rights and privacy of all Unit Owners, in the use and enjoyment of their Units and any parking areas or Common Areas or Common Elements intended for the sole use and enjoyment of owners of any particular Unit.

(h) To obtain, provide and pay for any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Association is required to secure or pay for pursuant to the terms of this Declaration, including the Association's By-Laws, or by law or which in the Association's opinion shall be necessary or proper for the maintenance and operation of the Development as a first class development or for the enforcement of any restrictions set forth in the Declaration.

(i) To pay any amount necessary to discharge any mechanic's lien or other encumbrances levied against the entire Property or any part thereof which may, in the opinion of the Association's Board of Directors, constitute a lien against the Property or against the Common Elements, rather than merely against the interests of a particular Unit Owner; provided, however, that there shall not be paid from the Maintenance Fund, by reason of the provisions of this subparagraph (i), any sums due from the Developer, or by reason of any improvements contracted for by the Developer. When one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the costs of discharging the lien and any costs incurred by the Association and its Board of Directors by reason of the lien or liens shall be specially assessed to said Unit Owners and shall constitute a lien against the Units owned by the Unit Owners.

(j) To provide for the payment of taxes and assessments, general and special, levied against or by reason of the Common Areas and Common Elements.

(k) To enforce those provisions hereinafter set forth in this Declaration which require that the Owners of each Unit located within the Development repair, maintain and replace certain portions of their Units, and the improvements attributable thereto, or located thereon, including, in certain circumstances, the repair, maintenance and replacement of the exterior surfaces of the Units and the repair, maintenance and replacements of roofs and roof structures, and gutters and downspouts, and the repair, maintenance and replacement of heating or air conditioning equipment, and the repair, maintenance and replacement of structural elements, interior surfaces, and the interiors of buildings located on the Units, or containing the Units, and the repair, maintenance and replacement of glass surfaces, doors, gates and hardware, and window and window hardware, and private patios and decks, and all structural elements, and structural elements of exterior walls and privacy fences, and to enforce all of the following provisions of this Declaration which impose upon the Owners of each Unit, and upon the Owners of certain Units, certain (or portions thereof) maintenance, repair and replacement obligations;

(l) To provide for the maintenance, repair or replacement of the interiors of any Building located on any Unit, or any utility lines serving only a single Unit, or any glass surfaces, patio and storage area walls, fences, doors, gates and hardware, or windows and window hardware, or private patios and decks, or heating or air conditioning equipment, or structural elements of exterior walls or surfaces, (all of which would otherwise be required to be maintained by the Unit Owner), or for the repair or replacement of any structural elements or roofs or gutters or downspouts, which would otherwise have to be maintained by the Unit Owner or Owners, or to provide for the replacement of any driveway, walk or walkway, or similar items, which would otherwise have to be replaced by a Unit Owner or Owners, if such maintenance, repair or replacement is necessary, in the discretion of the Association's Board of Directors, to protect the Association or the Common Elements, or any other Unit or portion of a Building or any other Building or any aspect or portion of the value of the Property or any part thereof, when the Unit Owner or Owners of Units responsible therefor have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Association's Board of Directors; provided, however, that no such written notice shall be required in the case of an emergency; and provided further, however, that the Board of Directors shall levy a special individual Unit assessment against the Units responsible therefor, and the Unit Owner or Owners thereof, for the cost of the maintenance or repairs, which shall constitute a lien upon the Units and their improvements;

(m) To provide for the maintenance, repair or replacement of any drives, driveways, walkways or parking areas, or any roofs, gutters, downspouts, utility lines, exterior walls or exterior surfaces, or other improvements, which are to be collectively maintained, repaired or replaced by the Owners of any Unit or certain of the Units, if such maintenance, repair or replacement is necessary in the discretion of the Association's Board of Directors to protect the Association or the Common Elements, or the Common Areas, or any other Unit, or any portion of a Building, or any other Building, or any portion or aspect of the value of the Property or Properties, or any part thereof, when the Unit Owner or Owners responsible for

such maintenance, repair or replacement have failed or refused to perform said maintenance, repair or replacement within a reasonable time after written notice of the necessity of such maintenance, repair or replacement has been delivered by the Association's Board of Directors; provided, however, that no such written notice shall be required in the case of an emergency; and provided further, however, that the Board of Directors shall levy a special individual Unit assessment against the Unit Owner or Owners responsible for the costs of the maintenance, repair or replacement, which shall constitute a lien upon such Unit or Units, and their improvements, which liens shall be enforceable in that manner described in ARTICLE VI below;

(n) To enter into agreements, contracts, undertakings or understandings with the Owners of any Units, or with the Owners of certain Units, collectively, to perform or to cause to be performed, on behalf of such Owner or Owners any maintenance, repair, servicing or upkeep for which such Owner or Owners would otherwise be responsible in accordance with the following provisions of this Declaration; provided, however, that the entire cost of same shall be immediately paid by such Owner or Owners to the Association, and shall be the responsibility of such Owner or Owners;

(o) To establish, levy and collect and enforce Annual Assessments, Special Assessments, and all other assessments established pursuant to or which may be established pursuant to Article VI or Article IX of this Declaration or any other Article or provision of this Declaration.

Section 6. Entry Into Units. The Association, or its agents, or its Directors, may enter any Unit when necessary in connection with any lawn maintenance, or any other maintenance or construction for which the Association is responsible, or which it is authorized to perform. It, or its agents or directors may likewise enter any Buildings contained on any Unit, any lawn contained on any Unit, any balcony or deck contained on any Unit or any patio contained on any Unit for maintenance, repairs, construction or painting, if same is necessary in connection with any maintenance or construction for which the Association is responsible or authorized to perform. Such entry shall be made with as little inconvenience to the Unit Owners as practicable, and any damage caused thereby shall be repaired by the Association, at the expense of the Maintenance Fund established as hereinafter provided for. The Association, or its agents, or its directors, shall be specifically authorized to enter into any Unit, or any building located on any Unit, for purposes of maintaining or repairing any sewer line or lines running within or beneath such Unit or building which serves more than such Unit or any Unit other than such Unit.

Section 7. Limitation Upon Power of Association and Board of Directors. The powers of the Association and its Board of Directors as hereinabove set forth shall be limited in that they shall have no authority to acquire and pay for out of the Maintenance Fund any capital additions and improvements (other than for the purpose of replacing or restoring any improvements which have been damaged or which reasonably require replacement for any reason) having a total cost in excess of Five Thousand Dollars ($5,000.00), nor shall the Association or its Board of Directors authorize any structural alterations, capital additions to,

or capital improvements to the Common Elements requiring an expenditure in excess of Five Thousand Dollars ($5,000.00), without in each case obtaining the prior approval of a majority of the Class A Members and obtaining the written approval or waiver of any mortgagee holding any deed of trust on at least three (3) Units, provided any such mortgagee notifies the Association's Board of Directors of its ownership and desire to have the right to so approve. The above provisions of this Section 7 to the contrary notwithstanding, the Board of Directors of the Association shall have no power or authority whatsoever to make payment for any improvement located within the Development which the Developer shall cause to be placed within the Development. The responsibility for erecting within the Development all improvements shown by the Plans for the Development, or any portion of the plans for the Development, shall be placed upon the Developer, and not the Association.

Section 8. Rules and Regulations. A majority of the Association's Board of Directors may adopt and amend administrative rules and regulations and such reasonable rules and regulations, which are not inconsistent with this Declaration, as it may deem advisable for the use, operation, maintenance, conservation and beautification of the Common Elements, and areas of Units located on the outsides of Buildings located on the Units and Lots and the exteriors of Buildings located on the Units and Lots and for the health, comfort, safety and general welfare of the Unit Owners and occupants of Buildings located on the Units and Lots.

Section 9. Active Business. Nothing hereinabove contained shall be construed to give the Association or its Board of Directors authority to conduct an active business for profit on behalf of the Association or the Unit Owners or any of them.

ARTICLE VI

ASSESSMENT - MAINTENANCE FUND

Section 1. Creation of a Lien and Personal Obligation for Assessments. The Developer, for each Lot of the Development, and for each Unit contained therein, and for each Lot and Unit now or hereafter owned by the Developer (including those hereafter annexed to the Development) or the Developer's assignees within the Parcel, and for the Property, and for each Unit now or hereafter contained within the Development, and for all present and future owners of such Units, hereby agrees, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any Deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association, or the duly authorized officers, representatives or agents of the Association: (1) annual assessments or charges hereinafter described; (2) special assessments for capital improvements hereinafter described; (3) special assessments for tax bills or public improvements, hereinafter provided for; (4) special assessments for replacement or nonperiodic maintenance hereinafter provided for; (5) special assessments for repair or replacement or maintenance to be done by Unit Owners, as hereinafter provided for; (6) assessments for insurance premiums hereinafter described; (7) any other sums or assessments provided for in this Declaration; and (8) fines and assessments as provided for by Section 20 of ARTICLE XI of this Declaration; such sums and assessments to be fixed, established and

collected from time to time as hereinafter provided. All such annual and special assessments, and other sums and assessments, together with such interest thereon and costs of collection thereof as may be hereinafter provided for, shall be a charge on the Units, and shall be a continuing lien upon the Units against which each such assessment or charge is made. Each such assessment or charge shall also be the joint and several personal obligation of the person or persons who were the Owners of such Unit at the time when the assessment fell due. The personal obligation shall not pass to such Owner's successor in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively by the Association to discharge its duties and obligations as provided for by the Declaration, and for the purposes of promoting the recreation, health, safety and welfare of the Unit Owners and residents of the Development, and in particular for the improvement and maintenance of the Property and the services and facilities devoted to this purpose, and for the improvement and maintenance of the Common Area and Common Elements, and the services and facilities related to the use and enjoyment of the Common Area and Common Elements, and of the Buildings situated upon the Lots and Units, as required by the provisions of the Declaration, including but not limited to, the payment of taxes and insurance on the Common Area and Common Elements, repairs to, maintenance of, replacement of and additions to the Buildings located on the Lots and Units and the Units as required of the Association by the terms and conditions of the Declaration, and for the cost of labor, equipment, materials, management and supervision of the Common Area and Common Elements, and for the maintenance, repair and services listed in ARTICLE V and IX hereof, as required of the Association by such Articles.

Section 3. Maintenance Fund. The Initial Assessments, annual assessments or charges and special assessments established and collected under the terms of this Article shall constitute a fund to be known as the "Maintenance Fund".

Section 4. Amount and Setting of Initial Assessments. The Highland's Declaration provides that, at the time of conveyance of each Unit by the Developer, or the Developer's Assignees, or any other Class B Member, or a Builder, to a Unit Owner other than the Developer, or the Developer's Assignees, or any other Class B Member of the Association, or a Builder, the conveying party (i.e. the Developer, the Class B Member of the Association, the Developer's Assignee or the Builder) must collect from the new Unit Owner an Initial Assessment in the sum of One Hundred Dollars ($100.00) which is due to The Highlands Homes Association, the Association for The Highlands Development, sometimes referred to herein as the "Highlands Association," pursuant to Section 4 of Article VI of the Highlands Declaration hereinabove identified. Each Unit Owner will be required to pay such Initial Assessment.

In other words, each Unit Owner, other than the Developer, the Developer's Assignees, a Class B Member of the Association, or a Builder, at the time of acquisition of his or her Unit shall be required to immediately pay such Initial Assessment, which shall be immediately remitted to the Highlands Homes Association by the collecting party. Such Initial Assessment

shall be one time Assessments and shall be paid only at the time of the first conveyance of the Unit from the Developer, or a Class B Member, or the Developer's Assignee or a Builder to a Unit Owner other than the Developer, the Developer's Assignee, a Class B Member, or any other Unit Owner other than a Builder. No Unit owned by the Developer or another Class B Member or the Developer's Assignee or a Builder shall be subject to such Initial Assessment; provided that all of same shall become subject to such Initial Assessment upon the termination of all Class B memberships and voting rights in the Association, or when the Unit becomes subject to Annual Assessments. The Initial Assessment shall constitute a continuing lien upon the Unit. The Initial Assessment shall bear interest and be enforceable in accordance with the following provisions of the Highland's Declaration.

Section 5. Amount and Setting of Annual Assessments. From and after the conveyance of the first Unit to an Owner other than the Developer, or another Class B Member, or from and after the date of the first leasing or renting of the first Unit within the Development to be rented or leased, or the use of a Unit for a Dwelling, whichever shall first occur, and until January 1 of the year immediately following such conveyance, renting or leasing or use, the Annual Assessment upon each Unit shall be the sum of Six Hundred Dollars ($600.00) per year. Beginning January 1 of the year immediately following such conveyance, renting or leasing or use the maximum Annual Assessment for all Units from time to time subject to assessment may be increased or decreased as follows:

(a) Each year, on or before December 31st, the Board of Directors of the Association shall estimate the total amount necessary to pay the costs of wages, materials, insurance, services and supplies, which will be required during the ensuing calendar year for the rendering of all services of the Association, together with a reasonable amount considered by the Board of Directors to be necessary for a reserve for contingencies and replacement or for maintenance of a periodic but not annual nature (such as painting), and shall on or before January 31, the following year notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof.

(b) Beginning, and from and after January 1st of the year immediately following the conveyance of the first Unit to a Unit to a Unit Owner other than the Developer or Builder, and on the first day of each subsequent calendar year which next begins (i.e., as of the first day of each calendar year) the Annual Assessments for each such year may be increased or decreased, above or below the Annual Assessment in effect for the preceding calendar year, if required to meet the established cash requirements in subpart (a) of this Section 5. The sole requirement to be imposed upon the Board of Directors in setting Annual Assessments shall be that the Board of Directors act reasonably and in good faith, and that it avoid acting in an arbitrary, unreasonably or capricious manner. The Board of Directors shall, therefore, have complete discretion to establish Annual Assessments at those sums which are required to pay, in each calendar year, the costs and expenses which are to be paid by the Association pursuant to subpart (a) above or which are to be paid by the Association pursuant to any of the other provisions of this Declaration.

Section 6. Special Assessments for Capital Improvements or Other Purposes. In addition to the Annual Assessments authorized above and the Special Assessments provided for by Sections 7 and 8 below, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of a capital improvement; provided that any such assessment shall have the assent of a majority of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) days nor more than forty (40) days in advance of the meeting setting forth the purpose of the meeting.

Section 7. Special Tax Bill or Assessment for Public Improvements. The Association shall pay any special tax bill or benefit assessment of any public body for public improvements which abut or run along any of the Common Area, or which benefit the entire Development as opposed to Unit Owners of only specific Units. The entire cost of any such tax bill or assessment shall, automatically, upon levy thereof by the public body or authority, become a Special Assessment against all Units. The entire sum of such Special Assessments shall be apportioned equally among all of the Units. Such Special Assessments shall be used by the Association to pay the assessment or tax bill levied by the public body or authority. Such Special Assessment shall be due and owing by each Unit Owner in time to permit timely payment of the tax bill or assessment. Special Assessments provided for by this Section 6 shall be enforceable in that manner hereinafter provided for in this ARTICLE VI for enforcement of all assessments. Special assessments provided for by this Section 7 shall attach to all Units, whether owned by Class A or Class B members or other members.

Section 8. Special Assessment for Replacement or Non-Periodic Maintenance. In the event the Association is required to perform any non-periodic maintenance, repair or replacement for any portion of the Properties, including, by way of example only but not by way of limitation, the need of resurfacing or replacing drives, driveways, parking areas and walkways, and the need to replace lawns and landscaping within the Common Areas, and in the further event the annual assessment for the Units shall be insufficient to cover the costs of such non-periodic maintenance, repair or replacement, together with the sum of other costs to be paid therefrom, or shall not have established a sufficient reserve for such repair, maintenance or replacement (a requirement that such reserve be established, although possibly advisable, shall not be implied herefrom), then the entire sum of the costs of such repair, maintenance or replacement of a non-periodic character shall be apportioned equally among all of the Units then located within the Development, and that portion of such cost apportioned to each such Unit shall constitute a special assessment against each such Unit. Such special assessment shall be used by the Association to pay the cost of such repair, replacement or maintenance of a non-periodic character, and shall be due and owing by each Unit Owner, on demand, in time to permit timely payment of the cost of the maintenance, repair or replacement. Special assessments provided for in this Section 8 shall be enforceable in that manner hereinafter provided for in this ARTICLE VI for enforcement of all assessments. The sum of such special assessment shall be established by the majority vote of the Association's Board of Directors,

acting within its sole and absolute discretion, and such determination by such Board of Directors, if made in good faith, shall be binding upon all Unit Owners.

Section 9. Uniform Rate of Assessment. In all cases, the rates of those assessments provided for by the above Sections of this ARTICLE VI must be fixed at a uniform rate for all Units subject to such assessments.

Section 10. Collection of Assessments. Both annual and special assessments shall be due and payable at such times, and in such installments, as the Association's Board of Directors shall determine, and may be collected on an annual, semi-annual, quarterly or monthly basis.

Section 11. Quorum for Any Action Authorized Under Sections 4 and 5. At the first meeting called for a purpose provided in Sections 5 and 6 hereof, the presence at the meeting of members or of proxies entitled to cast thirty percent (30%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 12. Special Assessments - Repair or Replacement or Maintenance to Be Done by Unit Owners. As hereinafter indicated in this Declaration, if the roofs and roof structures for individual Living Units within a Building are clearly divisible by party walls or other structures into separate roofs, serving the individual Living Units, then the individual Unit Owners of such Living Units are required to provide for all maintenance, repairs and replacements for the roof and roof structure, and gutters and downspouts, for their individual Units, and shall be required to pay the entire expense of same. If, however, any Living Units share a common roof (i.e. the roof for such Living Units is not divided into clearly discernible separate roofs by separate walls or other structures), then the Unit Owners of such Living Units shall be required to cooperate, and to jointly repair, maintain and replace all and every part of the roof or roof structure which serves their Units, and to cooperate and jointly arrange for the repair, maintenance and replacement of all and every part of such roof or roof structure which serves their Units, and to cooperate and to jointly arrange for the repair, maintenance and replacement of all and every part of such roof or roof structure, and the gutters and downspouts for their Units, including those parts of the roof or roof structure or gutters or downspouts which serve only a single Living Unit; provided, however, that for purposes of apportioning between and among the Owners of such Units, the cost of the maintenance, repair or replacement or servicing or upkeep of the roof or roof structure, or gutters or downspouts, the planes of the party walls between the Living Units shall be theoretically extended upwards through the roof and roof structure, and outwards through the planes of the exterior walls, and each Unit Owner shall be responsible for that portion of the costs attributable to repairing, replacing, servicing or upkeep of the portion of the roof, roof structure, gutters or downspouts located within his Unit as determined by the planes of the party walls so extended. In addition, although the Association may perform (but shall not be compelled to perform, and shall have no obligation

to perform) for the exteriors of the Building certain general, light "touch-up" maintenance, the Unit Owners of Living Units located within a Building shall be required to jointly arrange for, and to cooperate in arranging for, all painting, cleaning, tuckpointing or other general, cosmetic maintenance for all or every part of such Building, and must jointly arrange for all such painting, cleaning, tuckpointing and other exterior, cosmetic maintenance. However, for purposes of determining the costs of same to be paid by each Unit Owner, again, the planes of all common party walls between the Living Units shall be theoretically extended upwards through the roof and roof surface, and outwards through the exterior walls, and each individual Unit Owner shall be responsible for paying for that portion of the Building costs attributable to the painting, cleaning, tuckpointing or other substantial exterior cosmetic maintenance for that portion of the Building contained within his Unit as determined by such extension of such party walls. Unit Owners of all Units serviced by water lines, sewer lines or utility lines, which are a part of the Common Elements, under the above terms and conditions of this Declaration, and which are not publicly owned, and which service more than one Unit, shall be required to maintain, repair and replace such lines, and to share the costs of such maintenance, repair and replacement, equally. Each individual Unit Owner shall be required to maintain, repair and replace all customer service lines (utility lines), laterals and other utility lines serving only his Unit, whether located within the boundary lines of his Unit or within the Common Area. Each Unit Owner shall be required, at his expense, to provide for the reasonable replacements for any lawn, trees, shrubs or landscaping within the boundary lines of his Unit, which may be required in order to keep and maintain his Unit in a neat and attractive condition, and free of dead or dying grass, ground cover, trees, shrubs or landscaping material. Each Unit Owner shall further be required, at his expense, to provide for all lawn mowing, lawn fertilization, lawn irrigation and landscaping, maintenance, repair, replacement, servicing and upkeep, for all areas of his Unit located within any privacy fence, courtyard or other privacy area. Each individual Unit Owner shall further be required to maintain, in good repair, all structural elements of all walls, surfaces and structural elements of his Unit, including walls, floors and foundations, and the maintenance obligations collectively imposed upon the owners of all Units located within a Lot shall be limited solely to the cosmetic appearance of exterior walls and surfaces, including painting, cleaning and tuckpointing. Each Unit Owner shall further be required to maintain, repair and replace the heating and air conditioning equipment for his Unit (whether located within the boundaries of his Unit or the Common Areas), and to repair and replace, if necessary, that portion of any sidewalk, walkway, drive, driveway or parking area contained within the boundary lines of his Unit, which may, hereafter, require replacement so as to maintain same in a safe, neat and attractive condition. Each individual Unit Owner shall further be required to repair, maintain and replace (so as to maintain same in a clean, neat and attractive and sightly condition) all glass surfaces, all courtyard fences, all privacy area fences, all patio and storage area walls, fences, decks, gates and hardware, and windows and window hardware, and private patios and decks, and privacy fences and the interior of his Living Unit. In addition, each Unit Owner shall be required to maintain the interior of the Living Unit constituting a part of his Unit, and all portions thereof. If any Unit Owner or Owners should fail to perform or provide for any item of repair, replacement, maintenance or servicing imposed upon such Unit Owner or Owners by this Section 12, or any other provisions of this Declaration, then the Association's Board of Directors, in its discretion, may (but shall not be required to do so) cause the item of

repair, maintenance, replacement or servicing to be performed at the expense of the Unit Owner or Owners required to perform or to provide for same. The costs of such performance of such item of repair, maintenance, replacement or servicing shall, automatically, become a special assessment against the Unit Owners required to perform same and their respective Units, and shall constitute a lien upon such Units. Such Special Assessment shall bear interest at that rate hereinafter provided for in this ARTICLE VI and shall be enforceable against the Unit Owners and Units obligated for same, in that manner hereinafter provided for in this ARTICLE VI, and shall constitute a lien upon the applicable Units, enforceable in that manner hereinafter provided for in this ARTICLE VI.

Section 13. Establishing a Need for Non-periodic Maintenance or for Exterior Cosmetic Maintenance or for Maintenance, Repair or Replacement of Roofs, Gutters and Downspouts. As hereinabove indicated, the Unit Owners of Units containing a Building, and the Unit Owners of Living Units located within a Building, are required to provide for general, substantial, cosmetic maintenance, repair and replacement for such Building, including painting, cleaning, tuckpointing or other substantial cosmetic maintenance for the exterior of the Building. As also hereinabove indicated, if the roof serving Living Units located within a Building is not fully divisible into clearly discernible separate roofs by party walls or other structures, then the Unit Owners of such Living Units are required to cooperate and jointly repair, maintain and replace all and every part of the roof or roof structure serving their Units, and to cooperate and jointly arrange for the repair, maintenance and replacement of all and every part of such roof or roof structure, and the gutters and downspouts, for their Units. Therefore, it is necessary that Unit Owners of Units cooperate in performing maintenance of a non-periodic or irregular nature, or any general, exterior cosmetic maintenance, and roof repair and replacement, and gutter and downspout repair and replacement. In the event the Owners of Units required to cooperate in performing general, exterior cosmetic maintenance, or roof repair and replacement, or gutter and downspout repair and replacement, are unable to unanimously agree upon the necessity for same, and upon the manner in which same shall be performed, and upon the costs of same (and the sharing of such costs), then a meeting for purposes of establishing the necessity for same, and a special assessment for the costs of same, may be called by any individual holding an ownership interest in any of the Units, the owners of which are responsible for paying for the applicable maintenance, repair or replacement. The notice of such meeting shall be in writing, and shall be given not less than ten (10) days, nor more than forty (40) days in advance of the meeting. Such notice shall set forth the purpose of the meeting. Such notice may be delivered to each Unit Owner, who will be obligated for a portion of the cost of the maintenance, repair and replacement, at his, her or their last known address, either personally or by regular United States Mail, or by personal delivery, to the Owner or the individual or individuals occupying such Unit. If personally delivered, the notice shall be deemed to have been given when delivered. If mailed, such notice shall be deemed to have been delivered on the day of mailing. The presence or representation by proxy at any such meeting of Owners of a majority of the Units obligated for payment of a portion of the cost shall constitute a quorum (provided, however, that if there are only two (2) such Units, then the presence of Owners of one (1) of such Units shall constitute a quorum). If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to any notice requirements set forth in this

Section 13, and the required quorum at the subsequent meeting shall be one-half the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. All decisions made at such meeting by a majority of those Unit Owners, who are present, either in person or by proxy, shall be binding upon all Unit Owners. If there are only two (2) Unit Owners entitled to be present at the meeting, and only one of such Unit Owners appears, then all decisions made by such Unit Owner shall be binding upon both Unit Owners. Any decisions made, in such manner, as to the necessity of a particular item of maintenance, repair or replacement, or as to the manner in which same shall be performed, or as to the costs of same, or an assessment for same, shall be binding upon all Unit Owners. Each of the Unit Owners shall be required to pay his share (as such share is established in accordance with the above provisions of this ARTICLE VI) of the maintenance, repairs, replacement, servicing or upkeep approved by a vote of the Unit Owners, in accordance with the above provisions of this Section 13. The Unit Owner's share of such cost shall constitute a special assessment against his Unit, and shall constitute a lien against his Unit. Such special assessment shall bear interest in the manner herein provided in this ARTICLE VI for other assessments charged under this Article, and shall constitute a lien against the applicable Unit in the same manner as is provided by the provisions of this ARTICLE VI for other assessments. All assessments established in accordance with this Section 13 shall be due and owing from each Unit Owner in time to permit timely payment of the cost of the work. The above provisions of this Section 13 to the contrary notwithstanding, if any Unit Owner or Owners shall fail to perform or to provide for any item of repair, replacement or maintenance imposed upon such Unit Owner or Owners by this ARTICLE VI or by ARTICLE IX of this Declaration, then the Association's Board of Directors, in its discretion, may (but shall not be required to do so) cause the item of repair, maintenance or replacement to be performed, at the expense of the Unit Owner or Owners required to perform or to provide for same, and to levy special assessments against such Unit Owners and such Units in accordance with the above provisions of this ARTICLE VI. If a majority of the Unit Owners obligated to perform maintenance, repairs and replacements are unable to agree upon the necessity for such maintenance, repairs and replacements, then the Association's Board of Directors shall have the power to decide, at the request of any of such Unit Owners, or on the Board's own motion, whether the maintenance, repairs or replacements should be performed or are required to be performed, and the decision of the Association's Board of Directors shall be binding upon all of the involved Unit Owners.

Section 14. Special Unit Assessment. If any Unit Owner or Unit Owners or any Builder or Owner shall fail to satisfy their maintenance obligations imposed upon them by ARTICLE IX of this Declaration, or shall fail to provide for any maintenance, repairs, replacements, servicing or upkeep to be provided by them pursuant to ARTICLE IX of this Declaration, or any other provisions of this Declaration, and if the Association's Board of Directors, in its sole and absolute discretion, deems the performance of such maintenance, repair, servicing or replacement to be necessary to protect the Association, or the Common Elements, or any Unit, or any portion of a Building, or any of the values of all or any part of the Property, and if the Unit Owner or Owners responsible for the performance of the maintenance, repair, replacement, servicing or upkeep have failed or refused to perform said maintenance, repair, replacement,

servicing or upkeep within a reasonable time after written notice of the necessity for same has been delivered by the Association's Board of Directors (provided, however, that no such written notice shall be required in the case of an emergency), then the Association's Board of Directors shall be permitted (but shall not be required) to cause the maintenance, repair, servicing, replacement or upkeep to be performed (including, but not limited to, providing insurance, painting, cleaning, tuckpointing, roof repair or replacement, gutter or downspout repair or replacement, or any other maintenance, decorating, repair or replacement or servicing); provided, however, that the cost of same shall be apportioned among the Owners of the Units obligated for the performance of such maintenance, repair, replacement, servicing or upkeep in accordance with the provisions of this ARTICLE VI of this Declaration, or in accordance with the provisions of ARTICLE IX of this Declaration, and that portion of such costs as so properly apportioned to each such Unit shall become a special assessment against each such Unit which shall be due and owing by each Unit Owner in time to permit timely payment of the costs of the work. Special assessments provided for by this Section 14 shall attach to Units, whether owned by Class A or Class B Members, or other members. Special assessments provided for by this Section 14 shall, like all other assessments, constitute the joint and several obligations of the Owners of the Units who are responsible for payment of the assessments, and shall constitute liens against the Units owned by such Unit Owners, and the property and improvements making up such Units, and shall bear interest in that manner hereinafter provided for in this ARTICLE VI, and shall be enforceable in that manner hereinafter provided in this ARTICLE VI.

Section 15. Date of Commencement of Annual Assessments: Due Dates. All of the Annual and special assessments and other assessments hereinabove provided for in this ARTICLE VI shall apply to each Unit from and after (and beginning with) the date when such Unit is rented, leased, sold, conveyed or otherwise disposed of by the Developer or the Builder erecting the Building containing the Unit, or the earlier date when the Unit is first occupied as a residence. In any event such assessment shall apply, beginning with the dates that a Unit is first occupied as residence (whether under a lease or rental basis, or any other basis). No Assessment shall attach to any Unit, until such Unit is either first conveyed, or first rented, or first leased by the Developer or the Builder thereof, or is first occupied as a residence. The Annual Assessments provided for herein shall commence on the first day following the completion of the structure located upon the Unit, when the Unit is first rented, leased, sold or occupied as a residence, and shall continue thereafter unabated, but shall not apply prior to such completion, and such first renting, leasing, selling or occupancy. The above provisions of this Section 15 to the contrary notwithstanding, however, a Unit shall become subject to assessments, automatically, should a Class A membership attach to the Unit under ARTICLE II of this Declaration. In such event, the Unit shall become automatically subject to assessment, effective on the date the Class A membership attaches. The first Annual Assessment for each Unit shall be adjusted according to the number of months remaining in the calendar year. The Association's Board of Directors shall fix the amount of the Annual Assessment against each Unit as soon as practicable before or after January 1, unless approval of each year for the ensuing year, unless approval of the Association's membership is required as hereinabove provided for in this Declaration. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Association's Board of

Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 16. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the date of delinquency until the date when paid at the rate of ten percent (10%) per annum, or at the highest lawful rate then permitted by the laws of the State of Missouri (whichever shall be the lesser rate), and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

Section 17. Subordination of the Lien to Mortgages. The lien of assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed upon any property subject to assessment; provided, however, that in the event of default in the payment of any obligation secured by such mortgage or deed of trust such subordination shall apply only to the assessments or installments thereof which shall become due and payable prior to the sale of such property pursuant to power of sale under such deed of trust, or prior to a conveyance to the mortgagee or holder of the deed of trust in lieu of foreclosure. Such foreclosure or such sale or conveyance in lieu of foreclosure shall not relieve such property from liability for any assessments or installments thereof thereafter becoming due or from the lien of any such subsequent assessments or installments thereof thereafter becoming due.

Section 18. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area and Elements; and (c) all Units owned by the Developer or its assignees of its rights as Developer, and Builders building Units, other than those used for rental or lease purposes or occupied as residences (provided that such Units shall be subject to the assessments when and as provided for by the above Sections of this ARTICLE VI); and (d) all Units owned by the Developer or a Builder, until same have been rented, leased, sold or occupied, unless otherwise subject to assessment under the foregoing provisions of this ARTICLE VI. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 19. Collection of Assessments. Both Annual and special assessments shall be due and payable at such times, and in such installments, as the Association's Board of Directors shall determine, and may be collected on an annual, semi-annual, quarterly or monthly basis.

Section 20. Retroactive Effect of Assessments. If an assessment for a calendar year is not established until after January 1 of such year, or if a change in the annual assessment provided for by Section 5 of this ARTICLE VI requires approval of Unit Owners, and such approval is not obtained until after the first day of the calendar year within such assessment is to be charged, such new assessment shall be retroactive from the date of setting or approval to the first day of the calendar year and shall apply for the entire calendar year. If installments upon the Assessment have been previously paid, prior to such setting or approval, then the sum of any deficiency in such installments shall be due on the due date of that installment which next follows setting or approval of the Assessment, or if there is no such installment, shall be immediately due following such setting or approval.

Section 21. Failure to Establish Assessment. If the Annual Assessment described in Section 5 should not be set for any year the assessment for the preceding year shall be in effect for such year.

Section 22. Condominium Declarations. Owners of all Units located within a Lot shall be permitted, between and among themselves, to adopt, approve and record, as to such Lot and the Units located within such Lot, a separate Condominium Declaration, or a separate Declaration of Covenants. Such Condominium Declaration and/or such Declaration of Covenants, shall be applicable solely to the Units located within the Lot. Such Condominium Declaration, or such Declaration of Covenants may amend, as between and among the Unit Owners only, their respective obligations for providing for maintenance, repair, replacement, servicing and upkeep within the Lot and the Units located within the Lot. In other words, such Condominium Declaration or such Declaration of Covenants may amend the provisions of this ARTICLE VI and this Declaration, as between the Unit Owners of the Units located within the Lot. Such Unit Owners may agree, by way of such Condominium Declaration, or other Declaration, to share the cost of the maintenance, repair, replacement, servicing, upkeep, taxes and insurance required within the Lot in a manner differently than that hereinabove provided for in this ARTICLE VI. Such Condominium Declaration or such Declaration of Covenants, shall be binding as between and among the Unit Owners of Units located within the Lot. However, such Condominium Declaration or such Declaration shall have no effect whatsoever upon the relationship between the Unit Owners of Units located within the Lot, and the Association, and/or the Unit Owners of other Units located within the Development. Each of the Unit Owners of Units located within the Lot, which are subject to such a Condominium Declaration or other Declaration, shall continue to have all of their obligations to the Association and the Unit Owners of Units located within the other Lots, as such obligations are hereinabove set forth in this ARTICLE VI, and as such obligations are hereinafter set forth in the following provisions of this Declaration, to cause to be performed or to pay for all items of maintenance, repair, replacement, servicing, upkeep, insurance and taxes, which they are obligated to provide or pay for in accordance with the above provisions of this ARTICLE VI, or in accordance with any of the following provisions of this Declaration. If a Condominium is established within a Lot, then the Common Elements of such Condominium shall be deemed to be owned by a single Unit Owner (i.e. the Condominium or Condominium Association), and such Unit Owner, and such Condominium, shall owe to the Association and all other Lot Owners and Unit Owners within

the Development, the duties to perform all maintenance, repairs, replacements, servicing and upkeep imposed upon the Unit Owners of Units located within such Lot. The provisions of this Section 22 to the contrary notwithstanding, however, the Owners of all Living Units located within such Lot shall, for purposes of this Declaration, be deemed to be Unit Owners, and shall be Class A members of the Association, and shall be subject to assessment as such, and their dwelling Units (as Units of the Development) shall be subject to the lien for the assessments established by this Declaration.

Section 23. Shortages. In the event the Annual Assessments to be paid to the Association shall, in any year, be insufficient to enable the Association and the Board of Directors to perform the Association's duties and obligations under this Declaration, then the excess of the costs incurred by the Association in performing its duties and obligations, over and above the sum of the annual assessments paid to the Association in such calendar year, shall constitute a special assessment against all Units subject to assessment at the end of such calendar year. Such special assessment shall, automatically, be equally apportioned among all Units then subject to assessment. Such special assessment shall constitute an assessment against each of the Units, which such assessment shall be payable at such time or times as the Association's Board of Directors, in its discretion, shall specify. Such assessment shall bear interest, and shall be enforceable, in the manner provided for by this ARTICLE VI, and shall constitute a lien against the Units in the manner provided for other assessments by this ARTICLE VI. Such special assessment shall bear interest in the manner provided for in this ARTICLE VI, and shall constitute liens against the Units in the manner provided for in this ARTICLE VI, and shall be enforceable in the manner provided for by this ARTICLE VI.

Section 24. Enforcement of Assessments. All assessments provided for by this ARTICLE VI shall be delinquent if not paid within fifteen (15) days of the due date thereof. Each such assessment (or any installment thereon) not paid within fifteen (15) days of the due date thereof, shall bear interest from the date when due, at the rate of ten percent (10%) per annum. All assessments provided for by this ARTICLE VI shall constitute the joint and several obligations of the Unit Owners obligated to pay same, and shall constitute liens against their individual Units, and the Buildings and improvements making up such Units, and the property constituting such Units. All costs of collection of such assessments, including reasonable attorney's fees, shall be added to, and shall constitute a part of such assessments, and shall be chargeable and collectible as a part of such assessments. The Board of Directors of the Association may bring an action at law or in equity against the Unit Owner personally obligated to pay any past due assessments, or may foreclose the lien against the Unit Owner's Unit, and all interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of his Unit or of the Common Area or Common Elements. The lien to secure payment of any assessment or charge shall be in favor of the Association, and the members of the Board of Directors of the Association, and their successors in office, and actions for the collection of assessments and the enforcement of any liens, assessments or charges shall be brought for the benefit of the Association, in the name of the Association, by the Board of Directors of the Association and its successors. Any lien against a Unit may, in addition, be

foreclosed by the Association's Board of Directors or any of its officers or its Directors in like manner as a mortgage of real property (under a Deed of Trust, with Power of Sale), as provided in Sections 443.190 through 443.235 of the revised statutes of Missouri, and any amendatory or successor statutes thereto. Suit for unpaid assessments or charges may be brought by the Association without foreclosing or waiving the liens securing same. If a lien is to be foreclosed by the Association's Board of Directors or any of its officers or its directors, in like manner as a mortgage of real property, under a deed of trust containing a power of sale (as provided for by §§ 443.190 - 443.235 RSMo.), then:

A. The Association's Board of Directors or any of its officers or directors, shall give notice of a foreclosure sale, similar to a Trustee's sale, in the manner in which such notice is to be given pursuant to such sections of the Missouri Statutes, and such notice shall be published in the newspaper and shall be given as otherwise provided in such sections of the Missouri Statutes for foreclosure sales under a deed of trust with power of sale; and

B. The sale shall be conducted in like manner as is provided for by such sections of the Missouri Statutes, and the cases and authorities construing same, for the conducting of foreclosure sales/trustee's sales under a deed of trust, with power of sale; and

C. The sale as so conducted shall have the same force and effect as a sale conducted under a deed of trust, with power of sale, as provided in such sections of the Missouri Statutes; and

D. The Unit shall be sold to the highest bidder, for cash, by auction at public vendue, in the manner provided for by such sections of the Missouri Statutes and the cases and authorities construing same; and

E. The sale shall be conducted by the Board of Directors or any of its officers or its directors, as the Board of Directors shall specify and determine, who shall occupy a position comparable to that of a Trustee under a Deed of Trust with power of sale, and shall proceed accordingly; and

F. The proceeds of such sale shall be applied:

- First to pay the costs and expenses of sale, including publication costs and attorney's fees of the Board or its officers or agents and other reasonable costs and expenses incurred in connection with the sale or the giving of notice of same, and conducting same; and

- The proceeds shall be next applied to discharge the lien for assessments provided for by this article of this Declaration; and

- Any excess proceeds, if any, shall be paid to the holder or holders of any promissory note(s) secured by a deed of trust or mortgage upon the real estate; and

The balance, if any, shall be distributed to the Unit Owner or the person or persons entitled by law to receive same.

Each Unit Owner, by acquiring a Unit does, therefore, consent and agree that such Unit shall be subject to liens for the Assessments provided for by this Article VI, which such lien (for each and all such easements) may be enforced by foreclosure sale, in the manner provided for foreclosure of a Deed of Trust lien, under a Deed of Trust with power of sale, as provided for by the above-referenced sections of the Missouri Statutes. Each Unit Owner shall be further deemed to have agreed and shall have agreed, by accepting a deed or conveyance for his, her, its or their Unit(s), that the Association, or any member of its Board of Directors or its officers, may be the purchaser at any such foreclosure sale, and that the Association may bid, at any such foreclosure sale, and that the sum of any unpaid assessments shall be credited upon the Purchase Price, should the Association be the successful purchaser.

Section 25. Additional Liability for Assessments to The Highlands Homes Association. In addition to the Assessments to be paid to the Association (Highland Springs Homes Association) pursuant to this ARTICLE VI, the Unit Owners of each of the Units shall be obligated to pay to The Highlands Homes Association the Assessments from time to time due that Association pursuant to ARTICLE VI of the Highlands Declaration, as all such Units shall also be subject to Assessment by The Highlands Homes Association.

ARTICLE VII

ARCHITECTURAL CONTROL

All Lots and Units within the Development and the Parcel and all real estate located within the Parcel, and all interests therein, and any improvements now or hereafter located thereon, shall be held, sold and conveyed subject to the following restrictions, covenants and conditions:

No Building or Dwelling, and no Living Unit, and no fence, wall or other structure or improvement, and no additional or accessory structures or improvements, and no outbuildings, or other structures or improvements of any kind or nature whatsoever, temporary or permanent in character, and no satellite receiver antennas or dishes, aerials or other similar devices, and no driveways, parking areas, sidewalks, walkways or other improvements to real estate of any kind, nature or description whatsoever, shall be commenced, located, erected or maintained within the Parcel or within any Lot or Unit, other than the streets, roads, and improvements shown by the Plat and other than those for which plans and specifications shall have been approved in writing, in advance, by the Architectural Control Committee hereinafter described. Any Lot Owner, Unit Owner or Builder seeking to construct a Dwelling, Building, Living Unit or other such improvement, or any part thereof, shall submit two (2) copies of plans and specifications therefor to the Architectural Control Committee, including:

- A site plan, the location on the site plan of the Dwelling, Building or other improvement, all exterior elevations, floor plans, exterior finish materials (including a specific description as to the manufacturer, color, texture and type of same, and a description as to any stain/clear wood finishes on all wooden exteriors and a description of all paints and paint colors and types, types of brick [including type, nature and manufacturer of brick and brick colors], roof materials [including type, brand name and other designating materials] and colors, and a specific description of brick, stone and types of brick or stone finishes [and a very specific description of all exterior finish materials], and including such other dimensions and other data as the Architectural Control Committee shall reasonably deem necessary in order for it to make a reasonable determination as to whether the Building, Dwelling, Living Unit or Improvement is compatible with surrounding structures and topography, and with other Buildings and improvements located within the Parcel and with the existing character of the neighborhood located within the Parcel and the anticipated nature of the neighborhood to be located within the Parcel and with the Developer's intended Development (including the quality thereof);

- A landscaping plan for the Lot or Unit, Living Unit, Dwelling or Building or other improvement, showing trees, shrubs and other plantings, all lawns (including grass types, and whether seeded or sodded and specifications for same) and all landscaping materials, including the species, size, type and quality of same.

In addition, no exterior addition to, or change to, or alteration of any Building, Dwelling, Living Unit, fence, wall, structure, driveway, walkway, or other improvements to real estate of any kind or nature whatsoever (or change in the exterior color or appearance, of any Building, Dwelling, Living Unit or improvement, or in the exterior or visible finish materials of same) located within a Lot shall be made, commenced or maintained within a Lot or Unit until two (2) copies of plans and specifications therefor, which comply with the requirements hereinabove set forth, have been submitted to and have been approved, in advance, in writing, by the Architectural Control Committee, as being compatible with the site for same, and with surrounding structures, Buildings and the topography and with the general character of the neighborhood and of the existing structures located therein, and with the existing character of the Development. The Architectural Control Committee shall be entitled to retain one copy of all plans and specifications and landscaping plans, following its approval of same, so as to enable it and the Board of Directors of the Association to monitor compliance with the plans and specifications approved by the Architectural Control Committee. The determinations of the Architectural Control Committee shall be made by it, in its sole, absolute, unlimited and unmitigated discretion and no requirements of reasonableness on its part shall be deemed to be expressed or implied. All determinations of the Architectural Control Committee shall be binding and absolute. In no event shall the Architectural Control Committee be required to approve any Dwelling, Building, Living Unit, fence, wall, structure, satellite dish, satellite receiver dish, driveway, walkway, parking area or any improvement to real estate (or any addition, change or alteration or modification of same, or change in the exterior colors or materials of same), unless such Architectural Control Committee in its sole, absolute, unlimited and unmitigated discretion finds that the plans and specifications and landscaping plans show that same would be in harmony with the location therefore and with the site therefore, and with

surround Buildings, structures and topography, and that same will be in keeping with the general scope and character of the existing neighborhood and with existing Buildings and structures located therein, and with the existing and contemplated structures to be located within the neighborhood, and that same will be of at least the same quality as the then existing structures located within the Parcel or then under construction within the Parcel, and that same will be of substantially the same quality as the average of the quality of existing structures then located within or planned to be located within the Development, and that same satisfies any specific requirements set forth in this ARTICLE VII. In the event the Architectural Control Committee or its designee fails to approve or disapprove any plans or specifications or landscaping plans submitted to it within thirty (30) days after such plans and specifications had been submitted to it, or in the event no suit to enjoin the construction of any Building, Dwelling, structure or other improvement has been commenced within six (6) months following the date of the start thereof, approval of the said Architectural Control Committee under this ARTICLE VII will not be required and shall be deemed to have been given.

Section 1. Composition of Architectural Control Committee. The Architectural Control Committee shall always be composed of three (3) members. A majority of the Committee may designate a representative (including but not limited to one or more member(s) of the Committee) to act for the Committee. The Committee shall consist of persons as follows, or selected as follows:

A. So long as Class B voting rights in the Association identified in this Declaration are in existence, and for so long thereafter as the Developer or the Developer's Assignee of any of the Developer's rights as the Developer under the Declaration owns more than five percent (5%) of the Lots then contained within the Development, the Developer shall appoint one member of the Architectural Control Committee. Such member shall be known as the "Developer's Representative." The Developer hereby designates William F. James, Jr. as its initial designee to the Architectural Control Committee. If he should die or should become unable to serve or should be unwilling to serve or should refuse or fail to serve or should resign as a member of the Architectural Control Committee, then the Developer's Representative shall be designated by the Developer.

B. Barrett Glascock, who may be referred to herein in this subparagraph B as the "Builder," has entered into an Option Agreement or is going to enter into an Option Agreement with the Developer to purchase from the Developer various Lots within the Development, in order that such Builder may construct buildings thereon, for sale of the Units therein to others. So long as such Agreement and its Option are in effect, and for so long as such Builder owns any entire Lot within the Development or has any contract in effect to purchase Lots within the Development, such Builder shall be entitled to designate one member of the Architectural Control Committee. Such Builder hereby designates, as its initial representative to the Architectural Control Committee, Mr. Barrett Glascock. If the said Barrett Glascock shall die, or become disabled or incapacitated, or shall refuse or fail to serve on the Architectural Control Committee or shall decline to serve as such, then such Builder or the Builder's successor to rights described in this subparagraph B shall designate his successor. The

member of the Architectural Control Committee designated pursuant to this subparagraph B is hereinafter referred to as the "Builder's Representative" to the Architectural Control Committee.

C. For so long as the Architectural Control Committee is made up of the Builder's Representatives and the Developer's Representatives to the Architectural Control Committee, the third member of the Architectural Control Committee shall be Linda Phillips, an architect of Columbia, Missouri ("Phillips"), or her successor. Phillips or her successor are referred to herein as the "Neutral Representative." If Phillips should die or become disabled or should be or become unable or unwilling to serve, or be unavailable to serve, or should she refuse or fail to serve, or shall resign as a member of the Architectural Control Committee, then the Neutral Representative shall be a person selected and appointed by her, if she has the capacity to make such selection and is available to do so, and shall otherwise be a person selected and agreed to by the Developer's Representative and the Builder's Representative. If the Developer's Representative and the Builder's Representative are unable to agree upon the selection of the third member of the Architectural Control Committee, then such third member, the Neutral Member, shall be selected as follows:

a. By that person who is then the Chief Executive Officer of Boone County National Bank, if such officer is willing to select a neutral member to the Architectural Control Committee, or by his designee; or

b. By Craig A. Van Matre, an attorney at law of Columbia, Missouri, if he is available to make such selection and is willing to do so, or by his designee; or

c. By Ron Shy, engineer, of Allstate Consultants, or his designee, if the individuals named above are all unavailable or unwilling to make such selection; or

d. If all such persons are unable or unwilling to make such selection, or are unavailable to do so, then the Developer's Representative and the Builder's Representative shall be required to petition the Circuit Court of Boone County, Missouri for the appointment of the third member of the Architectural Control Committee, who shall be appointed by one of the Circuit Judges of the Circuit Court of Boone County, Missouri or by an architect selected by such judge to make such appointment. If practicable, the Neutral Member so appointed shall be an architect.

The Neutral Member of the Architectural Control Committee shall be entitled to reasonable fees for his or her services, and such fees shall be shared, equally, by the Developer and the Builder. If costs and expenses, including attorney's fees, are incurred in obtaining the appointment of a Neutral Member of the Architectural Control Committee then all such costs, expenses and attorney's fees shall be shared, equally, by the Developer and the Builder.

D. The Builder shall be entitled to designate a Builder's Representative to the Architectural Control Committee only for so long as the Builder holds those contract rights and other rights described in B above. If such rights are terminated or do not come into existence,

then the Architectural Control Committee shall be made up of three (3) persons designated by the Developer. The Developer shall then be entitled to appoint all members of the Architectural Control Committee for so long as Class B voting rights in the Association are in existence and for so long thereafter as the Developer or the Developer's Assignees of the Developer's rights own more than five percent (5%) of the Lots then contained within the Development.

E. So long as the Architectural Control Committee has, as members thereof, the Developer's Representative, the Builder's Representative, and the Neutral Representative, all such Representatives shall act in a good faith manner and shall attempt to be fair and reasonable and to avoid making arbitrary, unreasonable or capricious decisions which would inure to the detriment of the Developer or the Builder.

F. When all Class B voting rights in the Association have terminated and when, thereafter, the Developer and the Developer's Assignees have ceased to own at least five percent (5%) of the then existing Lots then contained within the Development, the Developer's Representative then serving on the Architectural Control Committee shall be automatically disqualified from further service on the Architectural Control Committee and if the Builder's Representative is then serving, then the Developer's Representative shall be replaced by a person selected by the two (2) other members of the Committee then serving. If the Builder's Representative is not then serving, then the Architectural Control Committee shall be the Board of Directors of the Association as hereinafter described.

G. When the Developer has lost its rights to designate members of the Architectural Control Committee, and the Builder has lost the Builder's rights to designate a member of the Architectural Control Committee, then, from that point forward (in perpetuity) the Board of Directors of the Association from time to time constituted, or an Architectural Control Committee selected by it, shall be the Architectural Control Committee and the duly elected Board of the Association, or an Architectural Control Committee selected by it, shall be the Architectural Control Committee.

H. In the event of a lack of unanimity among the Architectural Control Committee as to whether any plans, specifications or drawings submitted to it are acceptable to it, the decision of a majority of said committee shall be the decision of the committee. The presence of two (2) members of such committee shall constitute a quorum for all purposes. Any personal interests, or alleged personal interests, of a member of the Architectural Control Committee with respect to matters to be submitted to such committee for its determination shall be waived as a disqualification, and a member of the Architectural Control Committee shall be permitted to participate in any decisions, whether or not such member has, or arguably has an interest in the matter to be decided by the committee. As hereinabove indicated, all determinations of the Architectural Control Committee shall be final and binding. The Architectural Control Committee shall have sole, absolute, unlimited and unmitigated discretion with respect to all matters submitted to it for its determination, and no requirement that it be reasonable in its actions shall be deemed to be expressed or implied, as all such requirements are waived and eliminated, in their entirety. A meeting of the Architectural Control Committee

can be called by any member of such committee, by written notice to the other members of the committee. Any such notice shall specify the date, time and place of the meeting (which such meeting must be held in Columbia, Missouri), and the purpose for which the meeting is to be held. Any such notice must be given no more than twenty (20) days, nor less than three (3) days prior to the meeting. As hereinabove indicated, two (2) copies of all plans and specifications which are to be delivered to the Architectural Control Committee in accordance with the above provisions of this Declaration shall be delivered to the Architectural Control Committee, which shall retain one copy thereof, in order to monitor compliance therewith. Once plans and specifications have been approved by the Architectural Control Committee, all buildings, structures, improvements and changes to be erected or made pursuant thereto must be made in total compliance with the plans and specifications which have been approved by the Architectural Control Committee.

Section 2. Designation by Architectural Control Committee. The Architectural Control Committee shall have the power, by its unanimous written consent, to designate any one of its members or any other person or persons, to make decisions which it would otherwise be required to make or which it is otherwise authorized to make in accordance with the provisions of this Annexation Declaration. Any designee of the Architectural Control Committee shall have all powers, privileges, rights, immunities and discretions conferred upon the Architectural Control Committee by this Declaration. The rights, privileges, powers, discretions, authorities and immunities of any individual designated by the Architectural Control Committee to make decisions on behalf of the Architectural Control Committee shall continue until any one member of the Architectural Control Committee, in writing, notifies such individual and the other members of the Architectural Control Committee that the authority of such individual is terminated. If any member of the Architectural Control Committee terminates, in writing, the authority of the designee to serve on behalf of the Architectural Control Committee then the authority of that designee shall be terminated, immediately. Any designee of the Architectural Control Committee, so long as he or she continues to be so designated, shall have vested in him or her the full and complete authority of the Architectural Control Committee, and shall have full and complete power to act in the name of and on behalf of the Architectural Control Committee, and shall be vested with all rights, privileges, powers, discretions, authorities and immunities of the Architectural Control Committee. The first Architectural Control Committee hereinabove named has designated Linda Phillips, as its designee, and the designation of Linda Phillips shall continue until revoked in writing by any member of the Architectural Control Committee, and the said Linda Phillips is hereby vested with all powers, privileges, discretions, authorities and immunities of the Architectural Control Committee, and she may act in the name of and on behalf of said Architectural Control Committee.

Section 3. Minimum Standards. In any event, in determining whether plans and specifications should be approved by the Architectural Control Committee, any restrictions on use hereinafter set forth in this Declaration must be followed, and the following provisions shall be in full force and effect and must be followed:

A. Definitions. For purposes of this Declaration, and for purposes of this Article VII, the following terms shall have the following meanings:

(a) "Two-Unit Building" shall mean a residential Building arranged, intended and designed for occupancy by two (2) families in two separate Living Units [i.e. two (2) separate Living Units].

(b) "Living Unit" shall have those meanings set forth in Article I.

(c) "One-Family Dwelling" or "Single Family Residence" or "Single Family Dwelling" shall mean a single, detached Building (i.e. a traditional single family home) arranged, intended and designed for occupancy by one family in one Living Unit.

(d) "Family" or "family" shall mean either of the following:

i. An individual or married couple and the children thereof and no more than two (2) other persons related directly to the individual or married couple by blood or marriage, occupying a single housekeeping unit with single kitchen facilities, used on a non-profit basis. A family may include not more than one (1) additional person, not related to the family by blood or marriage, provided that such additional person may be provided with sleeping accommodations but not with kitchen facilities; or

ii. Not more than two (2) unmarried adult persons, who are not related to each other by blood or marriage, and the children of either or both of such adults, living together by joint agreement and occupying a single housekeeping unit with single kitchen facilities on a non-profit, cost-sharing basis.

(e) "Building" shall mean a residential structure, arranged, intended and designed for occupancy by one or more families in one or more separate Living Units. Only One Family Dwelling Buildings or Two-Unit Buildings shall be permitted and Two-Unit Buildings shall be allowable only on those Lots designated for Two-Unit Buildings by the Developer.

(f) "Dwelling" means a Building.

(g) "One Family Dwelling" means a Building which contains one Living Unit intended and designed for occupancy by (used only for occupancy by) one family as a One-Family Dwelling, and used (solely as a residence) by one family, and for no other purposes.

(h) "Two-Family Dwelling" means a Building containing two (2) Living Units, each of which is arranged, intended and designed for occupancy by (and used only for occupancy by) one family as a residence (and is used by such family solely as a residence) and

for no other purposes. Such Two-Family Dwellings shall be permitted only on Lots designated for same by the Developer.

B. Setbacks. No portion of a Building located on any Lot shall be located within any setback lines or Building setback lines, provided for by the Plat.

Section 4. Exterior Finish Materials. The entire surface of the exterior of each Building, and the entire roof surface for each Building, shall be covered with exterior finish materials and roofing materials which are of a type, tone, color, shade, texture and quality approved by the Architectural Control Committee, in advance of use. All exterior finish materials and surface roofing materials must, therefore, be approved, in advance of use, in accordance with Article VII of this Declaration. All exterior finish materials which are approved by the Architectural Control Committee shall extend across the entire front of all structures from the ground floor to the roof. All roofing shingles and other surface roofing materials approved by the Architectural Control Committee shall cover the entire roof of the Building. No changes shall be made in the type, tone, color, shade, texture or quality of exterior finish materials or roofing materials without the written consent of the Architectural Control Committee first obtained.

Section 5. Number of Living Units to be Located Within Buildings.

A. Lots on Which Two-Family Dwellings/Two Living Units May be Placed. Buildings containing two (2) Living Units (i.e. Two-Family Dwellings) may be placed on each of Lots 12121, 12121, 12122 and 12123, as shown by the Plat of The Highlands Plat 12-A, [meaning that the Buildings on such Lots may contain one (1) or two (2) separate Living Units], and on any other Lots designated for such purpose by the Developer, in accordance with the Plan described below.

B. One-Family Dwelling Lots. Each Building to be placed on all other Lots of The Highlands Plat 12-A and other Lots not designated for Two-Family Dwelling Buildings shall be occupied by a single Building containing a single Living Unit (i.e. by a One-Family Dwelling).

No Living Unit on any Lot shall be used for any purposes other than as a residence for a single Family. However, as noted above, certain of the Lots may contain up to two (2) Living Units (i.e. two Units) and other Lots shall be limited to containing one (1) Living Unit (i.e. one Unit).

The Development is occurring pursuant to a Planned Unit Development Plan. Such Plan is the "Preliminary/Final PUD Plan for the Highlands Phase 12, Planned Unit Development," dated July 19, 1994, as revised, which was prepared by Allstate Consultants of Columbia, Missouri. Such Plan is on file with the office of Planning and Development of the City of Columbia, Missouri ("the Highland Springs Plan" or "the Plan"). Such Plan indicates that certain Lots which may be located within the Development (including areas eligible for Annexation to the Development pursuant to this Declaration) may contain two (2) Living Units; whereas other Lots are restricted, in their use, to the location thereon of one (1) Living Unit.

For example, Lots 12120 through 12123, both inclusive, of the Highlands Plat 12-A, are shown as two Unit Lots; whereas Lots 1232, 1233, 1234, 1235, 1236, 1237, 1238 and 1239 are shown as one Unit Lots. Lots 1A through 1Z, both inclusive, as shown by the Plan are shown by the Plan to be two Unit Lots; whereas all other Lots shown by the Plat are shown as being one Unit Lots. As areas are annexed to the Development, the Developer may designate certain of the Lots as being Lots which may contain up to two (2) Living Units, and may designate other Lots as being Lots which may contain only one (1) Living Unit (or which shall be restricted in use to containing one (1) Living Unit). If the Developer fails to designate a Lot hereafter annexed to the Development as being a one (1) Living Unit Lot or a two (2) Living Unit Lot, then the number of Living Units which may be placed on the Lot shall be determined by reference to the Plan, which is to say that the Lot may contain (and may only contain) that number of Living Units permitted under the applicable Zoning for the Property and the Plan.

Section 6. Minimize Sizes of Living Units/Dwellings. No Living Unit, whether such Living Unit constitutes a One Family Dwelling (meaning that such Living Unit is a Building which contains only one Living Unit) or is a Living Unit which constitutes a part of a Two Family Dwelling shall be placed on any Lot unless such Living Unit [i.e., the One Family Dwelling Building, if the Living Unit is a part of a One Family Dwelling or that part of a Building constituting a Two Family Building which contains such Living Unit] complies with the following Minimum Size Requirements:

A. Minimize Size of Building/Living Units.

a. No one story, ranch style Living Unit, built on a slab or on a crawlspace, or on a non-walkout basement shall be permitted on any Lot unless the Enclosed Floor Area of the ground floor thereof (the main floor thereof), exclusive of open porches, patios, garages and any non-walkout basement space, contains not less than one thousand seven hundred (1,700) square feet of finished floor space;

b. No ranch style, one story Living Unit shall be built on a walkout basement (a basement from which one may "walk out" onto the immediately adjacent surface of the ground) on any Lot, unless the Enclosed Floor Area of the ground floor thereof (the main floor thereof), exclusive of open porches, patios, and garages and exclusive of the said walkout basement, contains not less than one thousand seven hundred (1,700) square feet of finished floor space;

c. No two story Living Unit shall be permitted upon any Lot, unless the Enclosed Floor Area thereof, exclusive of open patios, porches and garages (and exclusive of any basement, whether or not same is or is not a walkout basement) shall contain not less than two thousand (2,000) finished square feet of floor area;

d. No tri-level Living Unit or multi-family Living Unit shall be permitted upon any Lot unless the Enclosed Floor Area thereof contained within the ground floor and any upper floors of such Living Unit is not less than two thousand (2,000) square feet;

exclusive of any open patios, porches and garages, and exclusive of any walkout or non-walkout basement space.

B. "Enclosed Floor Area." The required areas hereinabove described shall be deemed to mean "Enclosed Floor Area", as determined from outside measurements of that portion of the Building which contains the Living Unit. The "Enclosed Floor Area", shall be computed on outside measurements of the Dwelling, but shall not include any garages, carports, porches (whether or not enclosed), screened-in porches, sun porches, patios, attics, decks (whether or not enclosed) or finished or unfinished basement space or walk-out basement space. "Enclosed Floor Area", shall mean that portion of the space constituting a Living Unit within a Building which is intended for living, sleeping, eating or cooking, and shall also include (shall further include) the reasonable area included within reasonable, normal, ancillary bathrooms, utility areas, pantries, laundry space and other similar, reasonable accessory floor space; provided that all such accessory floor space must be finished and intended for year round use. Any unfinished storage space or unfinished utility space or finished or unfinished space in a "basement" or "cellar" shall not be included within Enclosed Floor Area. Any finished or unfinished space (however finished and whether or not finished) which is located in a basement of any kind or nature whatsoever [either walkout or non-walkout] shall not be included within nor considered to be a part of Enclosed Floor Area. It is, therefore, intended that the Enclosed Floor Area hereinabove referred to be generally included within the ground floor of the Dwelling (the main floor of the Dwelling) [i.e. the floor accessed by the front door or main door of the Dwelling], and stories located above such ground floor. If there is a dispute as to whether or not a Building includes the necessary Enclosed Floor Area, then such dispute shall be resolved by the Architectural Control Committee, and such decision shall be binding, provided only that it is made in good faith and is reasonably supported by available facts, and is not arbitrary or capricious.

C. Roof Pitch. Unless the Architectural Control Committee otherwise approves, all roofs for Buildings within the Parcel must be pitched roofs, rising or falling at least six feet (6') within each twelve foot (12') of horizontal distance (which is to say that each roof must be pitched on at least a six to twelve basis).

D. Approval of Exterior Finish Materials. All exterior finish materials, including those placed on the fronts, sides and rears of each Building located within the Parcel, and including the shingles and roofing materials and gutter and downspout materials for each Building, must be approved, in advance, by the Architectural Control Committee. Therefore, the Plans and Specifications submitted to the Architectural Control Committee shall show and describe in detail (in addition to the other items hereinafter described):

i. All exterior finish materials, and the manufacturer, brand, colors, types, tones and shades thereof, and the locations of same;

ii. The type of roof, including the slope or pitch thereof, and the materials to be placed thereon.

The Architectural Control Committee shall, therefore, have advance approval of all exterior finishes and materials, and the finishes and materials, once approved, must be used and if same are thereafter replaced must be replaced with substantially similar finishes and materials, of substantially the same quality, texture, shade, tone and color.

F. Driveways. The Plans and Specifications submitted to the Architectural Control Committee must show the locations of all drives, driveways, walkways and parking areas, and must show (accurately) the material with which the driveways and walkways will be surfaced. The surface materials of driveways and walkways shall, therefore, be subject to architectural control in the manner provided for by the above provisions of this Article VII. The Architectural Control Committee, so long as the Architectural Control Committee holds architectural control powers, shall have the complete discretion and authority as to the types of driveway paving materials which may be used, and all such paving materials shall be subject to the Developer's approval. All driveways and parking areas located within each Lot must be hard surfaced, in any event, with the types of materials approved by the Architectural Control Committee, and thereafter by the Association's Board of Directors. Approved materials may be either concrete or asphalt (or equivalent materials as determined).

G. Pools, Retaining Walls and Accessory Improvements and Above-Ground Pools. All pools, retaining walls and other accessory improvements, as well as decks, walkways, patios and other constructed improvements, must be submitted for approval by the Architectural Control Committee as to location, size, compatibility with adjoining properties and harmony with the Development before construction. IN NO EVENT SHALL ABOVE-GROUND SWIMMING POOLS BE PERMITTED. ABOVE-GROUND SWIMMING POOLS AND ABOVE-GROUND POOLS OF ANY KIND OR NATURE WHATSOEVER, AND ANY SIMILAR IMPROVEMENT, SHALL BE AND THE SAME ARE HEREBY EXPRESSLY PROHIBITED.

H. Lot Perimeter Fences. Lot and Unit perimeter fences of any kind are not permitted unless expressly approved by the Architectural Control Committee. No chain link fences, chain fences, wire fences, aluminum fences or other metal fences shall be permitted in (or surrounding) any side yard or front yard. Lot or Unit perimeter fences may be approved or disapproved by the Architectural Control Committee for whatever reason it finds to be appropriate. No fences shall be permitted to impede the ability of the Association to perform any maintenance, repairs, replacements or upkeep which it is required to perform in accordance with the provisions of this document. Certain of the Lots which are on the borders of the Development (i.e., the Highland Springs Development) may have located thereon a perimeter fence, which may surround the entire Development. An easement for the perpetual location, keeping, maintenance, repair and replacement of any such development perimeter fence, running in favor of the Association, is hereby established. Such perimeter fence shall not be interfered with nor altered nor removed by any Lot Owner or Unit Owner.

I. Two Car Garages. Each Living Unit placed upon each of the Lots must contain at least a two car, attached garage, in order that two (2) automobiles may be parked within such garage for each Living Unit, off street and off the driveway.

J. Erosion Control. Before commencement of construction of any Building located upon a Lot reasonable Erosion Control (which must, in any event, comply with all applicable lawful requirements and must, at least, consist of a straw berm or other type of Erosion Control approved by the Architectural Control Committee, in advance of the start of construction) must be installed across the entire length of any side of the Lot which abuts a street or any other Lot or a stream or drainageway. The Lot Owner and the Lot Owner's Contractor shall have the obligation to use reasonable means to prevent the erosion of soil onto adjacent property or any public street or street or drainageway.

K. Accessory Buildings, Out Buildings and Other Improvements. No additional and/or accessory structures or improvements of any kind or nature whatsoever [including but not limited to:

- Dog houses;
- Pet houses;
- Exterior storage sheds;
- Additional driveways, walkways, parking areas;
- Garages;
- Sheds or storage areas whether temporary or permanent in character;
- Ponds;
- Swimming pools;
- Outdoor hot tubs;
- Wading pools;
- Walls, fences or similar structures;
- Buildings;
- Monuments;
- Exterior decorative structures;

- Lawn ornaments (other than temporary Christmas or Easter displays or similar displays which are of short term, temporary duration),

- Sheds;

- Posts, poles;

- Storage boxes;

- Barns;

- Stables;

- Garages;

- Above-ground swimming pools or any similar improvements of any kind or nature whatsoever;

- Pools and similar improvements;

- Trampolines and similar devices or equipment and similar improvements, temporary or permanent; or

- Tennis courts or similar items;

of any kind or nature whatsoever, temporary or permanent in nature, shall be erected or placed on any Lot or Unit in addition to the basic Building, garage, patios, walks, decks, driveways, porches and other improvements originally placed by the Developer or a Builder and/or any reasonable similar replacement therefor, without the approval of the Architectural Control Committee. As indicated above, above-ground swimming pools and similar improvements and structures are, in any event, prohibited. Trampolines and similar improvements, temporary or permanent, shall be absolutely prohibited.

L. Additions and Modifications. No exterior addition to or change to (including but not limited to changes of Building materials, surface materials, finish materials, materials or colors) or alterations shall be made on any structure or Building or any driveway, walkway, fence, wall or other structure or improvement of any kind or nature whatsoever located within a Lot until the Plans and Specifications showing the nature, kind, shape, height, color, materials, type and location of same shall have been submitted to and approved in writing as to harmony in the external design and location and relation to existing structures and surrounding structures and topography by the Architectural Control Committee under this Article VII.

M. Exterior Wiring, Antennas or Installation of Satellite Receiver Dishes or Similar Improvements. No exterior wiring or antennas or satellite receiving dishes or similar improvements or equipment of any kind or nature whatsoever, nor anything having an appearance similar thereto, shall be permitted on the exterior portion of any Building situated upon any Lot, nor be placed upon any Lot, except as may be erected by the Developer or any

Builder or as approved in advance in accordance with the above architectural control provisions of this Article VII. No air conditioning, heat pumps or other types of installation shall be installed or permitted which appear on the exterior of any Building or which protrude through the walls, roof or window area of any Building on any Lot, or which are located on any Lot, except as may be installed in the original construction or as may be subsequently approved in accordance with the architectural control provisions of this Article VII.

N. Above-Ground Swimming Pools. Above-ground swimming pools and similar structures and improvements shall be and the same are expressly prohibited. No above-ground swimming pool shall be placed on any Lot, whether same is permanent or temporary in character. Above-ground swimming pools and above-ground pools shall be and the same are hereby prohibited, whether same are temporary or permanent in character.

O. Trampolines. Trampolines and similar devices, whether temporary or permanent in character, shall be and the same are hereby expressly and specifically prohibited and shall not be used on or placed on any Lot at any time, under any circumstances whatsoever.

P. Sodding and Landscaping Requirements. In addition, as a part of the initial construction of the first Dwelling/Building to be installed on each Lot, sodding and landscaping must be installed on such Lot in accordance with the following minimum landscaping and sodding requirements (which must be complied with), and each of the Lots shall be and must be sodded and landscaped pursuant to the following minimum landscaping and sodding requirements, which must be met and satisfied as a part of the initial construction.

- All front yards must be sodded. [The front yard shall be considered to be that portion of the Lot located between the plane of the front wall of the Dwelling/Building (extended to the side Lot lines) and the curb of the street.];

- Four deciduous, evergreen or ornamental trees, with a minimum one and one-half inch caliper, must be placed in the front yard of each Lot, and within the side yard of any corner Lot;

- At least six shrubs of a type approved by the Developer must be placed within the Lot.

In the event the landscaping is not installed in accordance with the provisions of this Section 17, the landscaping may be installed by the Association. The sodding and landscaping of the front yard (and side yard if required) shall and must be completed as soon as reasonably practicable following the occupancy of the Dwelling/Building on the Lot, giving due consideration to weather conditions. All sodding and landscaping must, in any event, be installed and completed by the Lot owner within three months (ninety calendar days) of the date of the issuance of the occupancy permit for the Dwelling/Building, unless such occupancy permit is issued during the months of November, December, and January or February, in which event the sodding and landscaping must be completed and installed by the end of the next immediately succeeding month of April or within such period of ninety days whichever shall last occur; provided,

however, that sodding and landscaping completion may be delayed if reasonably required because of adverse weather or ground conditions. All sodding and landscaping must be installed in a good and workmanlike manner. In the event:

i. The sodding or landscaping is not installed in accordance with the above requirements; or

ii. The sodding or landscaping which is installed is not installed in a good and workmanlike manner; or

iii. The sodding or landscaping which is installed does not comport with the minimum sodding and landscaping requirements hereinabove set forth in this subsection P; or

iv. The sodding or landscaping which is installed does not comport with the required approved landscaping plans; or

v. Any of the sodding or landscaping is not completed as soon as reasonably practicable, and, in any event, within the time period specified above,

then the Association shall be permitted to enter upon the Lot (and shall have a full and complete easement and right of entry upon the Lot) in order to install the sodding or landscaping, or to complete the installation of the sodding or landscaping or to remedy any defects in same. The Association's discretion to enter upon the Lot and to install or to not install the sodding or landscaping shall be absolute. The Association shall be under no obligation to install or remedy the sodding or landscaping. If the Association chooses to install the sodding or landscaping, then the Association and its employees, agents, contractors (and their employees) or designees shall have the total, complete and absolute, unlimited and unmitigated right, license and easement to enter upon the Lot (and all parts thereof), at any time and location of its choosing to install or remedy the sodding or landscaping and shall have the total, complete and absolute and unlimited discretion in the selection of the landscaping materials and sod to be installed. If the Association installs or causes to be installed or completed any part of the sodding or landscaping, then the Lot upon which the landscaping or sod is so installed, and the Lot Owners of such Lot shall be subject to a Special Assessment, and such Special Assessment shall be charged to such Lot Owner of the Lot. Such assessment shall be in the sum of all costs incurred by the Association for the installation of the sodding and landscaping; plus twenty percent (20% for the Association's costs, expenses and inconvenience incurred in arranging for the installation of the sodding or landscaping. Such assessment shall be due from the Lot Owner, on demand, without delay. Such assessment shall constitute and shall be deemed to be a Special Lot Assessment against the Lot, which has been charged in accordance with the provisions of Article VI of this Declaration. Such Special Lot Assessment shall be immediately due and payable, and if not paid, shall bear interest from the date of demand until paid at the rate of ten percent (10%) per annum. Such Special Lot Assessment and the sum thereof, together with interest, and all costs of collection and enforcement thereof (including but not limited to attorney's fees), shall constitute a lien upon the Lot, which shall be collectible and enforceable as described in Article

VI hereof, and, in addition the Lot Owners shall be (jointly and severally if more than one) liable and responsible for payment of such sum.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules and Law to Apply. Each wall or fence which is built as a part of the original construction of a home upon the Properties and placed on the dividing line between Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence and the foundations and footing therefor shall be shared by the Owners who make use of same in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by a fire or other casualty, any Owner who has used the wall may restore it, and if 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 the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be submitted to and determined by a Board of three (3) arbitrators as follows: The party desiring to have the matter in dispute submitted to arbitration shall give the other party written notice of such desire and shall name one of the arbitrators in such notice. Within ten (10) days after the receipt of such notice, the other party shall name a second arbitrator, and in case of a failure to do so, the party who has already named an arbitrator, may have the second arbitrator selected or appointed by a judge of the Boone County Circuit Court, State of Missouri, and two arbitrators so appointed in either manner shall select and appoint a third arbitrator, and in the event the two arbitrators so appointed shall fail to appoint a third arbitrator within ten (10) days after the naming of the second arbitrator, either party may have the third arbitrator selected or appointed by one of said judges, and the three arbitrators so appointed shall thereupon proceed to determine the matter in question, disagreement or difference, and the decision of any two of them shall be final,

conclusive and binding upon all parties. In all cases of arbitration, the parties hereto shall each pay the expense of his own attorney's and witnesses' fees, and all other expenses of such arbitration shall be divided equally between the parties. Such arbitration shall be conducted in accordance with Chapter 435 of the Revised Statutes of Missouri, same being the Uniform Arbitration Act.

ARTICLE IX

MAINTENANCE

Section 1. General Maintenance by Association. The Association shall provide for all of the following maintenance, repairs, replacements, servicing and upkeep within the Development:

(a) All maintenance, repair, replacement, servicing and upkeep, of any kind or nature whatsoever, for the Common Areas and Common Elements (except to the extent that any obligations for any such maintenance, repair, replacement, servicing or upkeep is imposed by any of the following provisions of this ARTICLE IX, or any of the provisions of this Declaration, upon the Owners of any Unit or Units);

(b) All mowing, fertilization, irrigation, maintenance, repair, replacement and upkeep of all lawns located within the boundary lines of the Common Area; provided, however, that if a separately metered irrigation system, owned by the Association, is not provided, all lawns and landscaping located within the boundary lines of any Common Area within a Lot, shall be irrigated at the equal expense of the Unit Owners of Units located within such Lot, who shall equally provide water for such irrigation;

(c) All mowing, fertilization and irrigation of all lawns located within the boundary lines of the Lots and Units, with the exception of those located within the boundary lines of privacy fences, courtyards or other private areas (which shall be mowed, fertilized, irrigated and maintained solely by the Unit Owners); provided, however, that if separate water lines and meters are not provided for the Association, the Owners of Units within each Lot shall equally share the obligation of providing the Association with water to irrigate all lawns, trees, shrubbery and landscaping located within such Lot;

(d) The irrigation, fertilization and general maintenance of all trees, shrubbery, plantings and the like within the Lots, the Units and the Common Area (provided, however, that if a separately metered water system is not provided for the Association, reasonable amounts of water reasonably required for the irrigation of trees, shrubs, grass, lawns and plantings located within the boundary lines of a Lot, including those within the boundary lines of the Units, shall be provided to the Association by the Unit Owners of Units located within such Lot, at their equal expense, and such Units Owners shall be required to provide the Association with sufficient water for the irrigation of trees, shrubs, grass, lawns and plantings located within the Common Areas and the Units within the Lot; and provided further, however, that each Unit Owner shall be required to replace all lawns, trees, shrubbery and other plantings located within

the boundary lines of his Unit, so as to keep such Unit free from all dead and dying lawns, trees, shrubbery, landscaping and other plantings, and shall be required to mow, fertilize, irrigate and service all lawns, plantings, plants and landscaping located within any courtyard, private patio, privacy fence, or private lawn area for his Unit);

(e) Landscaping, gardening and maintaining of all lawns and landscaping located within the Common Areas;

(f) The furnishing of reasonable snow removal and general clean-up maintenance for all driveways, walkways, sidewalks and parking areas located within the Common Elements, and those located within the boundary lines of the Units located on the street side of the Units (provided, however, that the Owners of each Unit shall be required to provide for all substantial repairs and replacements and resurfacing of all driveways, walkways, sidewalks and parking areas located within the boundary lines of his Unit);

(g) Maintaining, repairing and replacing all sewer lines, water lines and other utility lines which are not publicly owned, and which service all Units located within the Development;

(h) Maintaining, repairing and replacing all sewer lines, water lines and other utility lines located within the Development which serve more than one (1) Unit (provided, however, that the Owners of such Units shall be required to equally share the cost of maintaining, repairing and replacing such sewer lines, water lines and other utility lines);

(i) The payment of all taxes upon the Common Areas and Common Elements;

(j) The providing of liability insurance for the Common Areas and Common Elements;

(k) The painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing for the Common Elements and Common Areas;

(l) The replacement of all dead and dying trees, shrubs, plants and other plantings located within the Common Areas;

(m) The planting of any new trees, shrubs, plantings and the like within the Common Areas;

(n) The maintenance, repair, replacement and resurfacing of drives, driveways, parking areas and walkways located within the Common Areas;

(o) At the discretion of the Association's Board of Directors (and the Association shall not be required to do so), providing general, very light, "touch-up" maintenance for the exteriors of the Buildings and the Units.

THE ASSOCIATION, HOWEVER, SHALL NOT BE REQUIRED TO DO ANY OF THE FOLLOWING:

(a) To provide for any lawn upkeep, mowing, landscaping, irrigation, fertilization or other maintenance, repairs, replacements or servicing of any type for areas within privacy fences, privacy areas or courtyards;

(b) To provide for any exterior, cosmetic maintenance for any of the Buildings, privacy fences, patios, decks or similar items, including painting, cleaning or tuckpointing;

(c) To provide for any roof repair or replacement, or gutter or downspout repair or replacement for any Buildings;

(d) To provide for the replacement of dead or dying trees, shrubs, landscaping, lawns or other plantings located within the boundary lines of a Unit;

(e) To provide for the repair, replacement or resurfacing of walks, walkways, driveways or parking areas located within the boundary lines of a Unit;

(f) To provide for the maintenance, repair or replacement of interior surfaces of a Building or the interiors of a Living Unit;

(g) To provide for the maintenance, repair or replacement of glass surfaces, doors, gates or hardware, windows or window hardware or private patios and decks;

(h) To provide for the maintenance, repair or replacement of structural elements of a Unit or for the structural repair of exterior walls or privacy fences for a Unit, or for sewer lines or utility lines or water lines which service only a single Unit (all of which shall be maintained, repaired and replaced by the individual Unit Owner);

(i) To perform any maintenance, repair, replacement, servicing or upkeep, the duty for which is not specifically imposed upon the Association by this Declaration.

Section 2. Maintenance of Roofs, Gutters and Downspouts. If a Lot contains a single Living Unit (i.e. a single Unit) then the Lot Owner/Unit Owner shall be required to perform all maintenance, repairs, replacements, servicing and upkeep for the Building and other improvements located within such Lot, other than the maintenance to be performed by the Association pursuant to Section 1 above. However, if a Lot contains two Living Units (i.e., two Units) then the following provisions shall be in effect as to maintenance of roofs, gutters and downspouts:

If the roofs and roof structures for individual Living Units are clearly divisible by party walls or other structures into separate roofs serving the individual Living Units, then the individual Unit Owners of such Living Units shall be required to provide for all

maintenance, repairs and replacements for the roof and roof structure, and gutters, and downspouts, for their individual Living Units, and shall be required to pay the entire expense of same. If the roof or roof structures for certain Living Units are not clearly divided by walls or other structures into individual roofs, serving the individual Living Units (i.e. the Units share a common roof), then the Unit Owners of such Living Units shall be required to cooperate, and to jointly provide for all maintenance, repairs, servicing and upkeep for such roof and roof structure, and the maintenance, repairs, servicing and upkeep for such roof and roof structures and gutters and downspouts for their Units; provided, however, that the costs of all maintenance, repairs, servicing and upkeep for such roof and roof structures and gutters and downspouts to be paid by the individual Unit owners shall be determined by theoretically extending the plane of the common, party walls, through the roof of the Building, and through the exterior walls, and each individual Unit Owner shall be required to pay all costs and expenses attributable to the maintenance, repair, servicing, replacement and upkeep of that portion of the roof and roof structure, and gutters and downspouts located within his Unit, as determined by such extension of the plane of such party walls. The provisions of this Section 2 to the contrary notwithstanding, however, and all of the provisions of this Declaration to the contrary notwithstanding, however, any roof patching or resurfacing, and any painting of gutters or downspouts, for any Building or Living Units or Units containing or located within a Building or containing a Building, can be done only with the cooperation of the Unit Owners of all Living Units contained within or located within such Building, and the Owners of all Units containing such Building, so as to preserve a uniform appearance for all roof surfaces and gutters and downspouts for such Building. Therefore, any roof resurfacing or patching, or gutter or downspout alterations or painting shall be done only with the cooperation of the Owners of all Units located within or containing a Building so as to preserve for that Building a uniform appearance for the gutters, downspouts and roof surfaces for such Building. The necessity for maintenance, repair, replacement, servicing or upkeep of the roofs, gutters and downspouts shall be established by the unanimous agreement of the Owners of the applicable Units, and, in the absence of such agreement, shall be established in that manner hereinabove provided in this ARTICLE VI of this Declaration.

The provisions of this Section 2 to the contrary notwithstanding, and any of the provisions of this Declaration to the contrary notwithstanding, there shall be no change in the exterior color of, or the exterior surface material of, any roof, gutters or downspouts without the consent of the Architectural Control Committee first obtained. Should any Owner of any Unit perform or cause to be performed, any maintenance, repair or replacement or servicing or upkeep to which other Unit owners are required to contribute under this Section 2 or under ARTICLE VI, then such Unit Owner shall be entitled to immediate reimbursement, upon demand from such other Unit Owners, and the sum of such reimbursement to which such Unit Owner shall be entitled shall bear interest at the rate provided for by ARTICLE VI of this Declaration from the date of demand. Should such Unit Owner seek to enforce his right to reimbursement by legal proceeding, then, in addition to the sum of the reimbursement to which he is entitled, together with interest thereon, he shall be entitled to recover his reasonable costs,

expenses and attorneys fees incurred in connection with such legal proceedings. The sum of such reimbursement shall constitute a lien against the Units of the Owners responsible therefor, and shall constitute a charge upon the land and the improvements, and the Unit Owner entitled to reimbursement shall be entitled to proceed to enforce such lien, by suit or otherwise, and, shall be entitled to recover the sum of the reimbursement to which he is entitled, together with interest thereon at the rates established under ARTICLE VI, and his costs and attorney's fees.

Section 3. Privacy Fences, Porches, Walkways, Driveways, Sidewalks, Sewers, Utility Lines or Other Improvements Common to More Than One Unit. In the event a privacy fence, porch, or utility line serving two or more Units but less than all Units, requires repair or replacement, the Owners of such Units shall be required to contribute equally to the costs of such repair or replacement and shall be obligated to cause such repair or replacement to be performed at their expense. If any of such Unit Owners pays the entire said cost then he or they shall be entitled to immediate reimbursement of the pro rata share of such cost from the other Unit Owners. If the necessity for such repair or replacement is caused by the fault or negligence of an Owner, occupants or invitees of any Unit, the Owner of such Unit shall pay the entire cost of same. In the event a sewer line, water line or utility line, serving more than one Unit, requires maintenance, repair or replacement, then the Association may provide such maintenance, repair or replacement, but the cost of such maintenance, repair or replacement shall be paid equally by the Unit Owners of the Units serviced by same. The costs of such maintenance, repair or replacement shall be added to, and shall become a part of the Annual Assessment to be paid to the Association to which each such Unit is subject. This type of assessment shall be added to the Annual Assessments to be paid to the Association, as provided for by the above terms and conditions of this Declaration, and shall be enforceable as a part of such annual Assessments pursuant to the above terms and conditions of this Declaration dealing with enforcement. Should any Owner of any Unit perform any maintenance, repair or replacement or servicing or upkeep to which other Unit Owners are required to contribute under this Section 3, then such Unit Owner shall be entitled to immediate reimbursement, upon demand, by such other Unit Owners, and the sum of such reimbursement to which such Unit Owner shall be entitled shall bear interest at the rate provided for by ARTICLE VI of this Declaration from the date of demand. Should such Unit Owner seek to enforce his right to reimbursement by legal proceedings, then, in addition to the sum of the reimbursement to which he is entitled, together with interest thereon, he shall be entitled to recover his reasonable costs, expenses and attorneys fees incurred in connection with such legal proceedings. The sum of such reimbursement shall constitute a lien against the Units of the Owners responsible therefor, and shall constitute a charge upon the land and the improvements, and the Unit Owner entitled to reimbursement shall be entitled to proceed to enforce such lien, by suit or otherwise, and, shall be entitled to recover the sum of the reimbursement to which he is entitled, together with interest thereon and his costs and attorney's fees.

Section 4. Cosmetic Maintenance for Exterior Surfaces of Buildings. If a Building contains a Single Living Unit then all exterior maintenance, repairs, replacements, servicing and upkeep for such Building and other improvements located on the Lot/Unit, other than that to be performed by the Association pursuant to Section 1 above, must be performed by the Unit

Owner of the Living Unit located within such Lot. If, however, a Lot contains a Building containing two Living Units (two Units), then the following provisions of this Section 4 shall be in effect:

All general, exterior maintenance, such as painting, cleaning, tuckpointing or other exterior maintenance for the exterior wall surfaces for a Building and the exterior surfaces of the Building, must be jointly and cooperatively arranged for by the Unit Owners of the Living Units located within such Building and of the Unit Owners of the Units containing such Building or contained within such Building, so as to preserve, a common and uniform appearance for the exterior surfaces of such Building. No such Unit Owner shall, without the cooperation of all other Owners of Living Units or Units located within or containing a Building, independently arrange for the exterior painting, cleaning, tuckpointing or other cosmetic maintenance for his individual Unit, if same would, in any respects whatsoever, damage, interfere with or alter the uniform appearance of the Building. When exterior, cosmetic maintenance is required for a Building, the Owners of the Units located within or containing such Buildings shall be required to jointly and cooperatively provide for such painting, cleaning, tuckpointing or exterior cosmetic maintenance, and shall be required to pay their pro rata portions of the costs thereof, which pro rata portions shall become a special, individual Unit assessment against the Unit Owners and their respective Units, and shall constitute a lien against the Units, and shall draw interest, and be enforceable in that manner provided for by ARTICLE VI of this Declaration. The costs of painting, cleaning and tuckpointing, and other general exterior cosmetic maintenance for a Building located within a Lot, shall be apportioned among the Owners of Living Units located within such Building, and the Owners of Units contained with or containing such Building, by the theoretical extension of the planes of the common party walls, in the manner hereinabove provided for in this Declaration, and in the manner hereinabove specifically described in ARTICLE VI of this Declaration. Should any Owner of any Unit perform any painting, tuckpointing, or other maintenance, repair or replacement or servicing or upkeep to which other Unit Owners are required to contribute under this Section 4, then such Unit Owner shall be entitled to immediate reimbursement, upon demand, from such other Unit Owners, and the sum of such reimbursement to which such Unit Owner shall be entitled shall bear interest at the rate provided for by ARTICLE VI of this Declaration from the date of demand. Should such Unit Owner seek to enforce his right to reimbursement by legal proceedings, then, in addition to the sum of the reimbursement to which he is entitled, together with interest thereon, he shall be entitled to recover his reasonable costs, expenses and attorney fees incurred in connection with such legal proceedings. The sum of such reimbursement shall constitute a lien against the Units of the Owners responsible therefor, and shall constitute a charge upon the land and the improvements, and the Unit Owner entitled to reimbursement shall be entitled to proceed to enforce such lien, by suit or otherwise, and, shall be entitled to recover the sum of the reimbursement to which he is entitled, together with interest thereon and his costs and attorney's fees. The necessity for cosmetic maintenance of the type hereinabove described shall be established in accordance with ARTICLE VI of this Declaration, and the costs shall be apportioned in the manner hereinabove described in such ARTICLE VI, and each Unit Owner's portion

of such costs shall constitute a lien against his Unit, and shall constitute a special assessment, which such lien and special assessment shall be enforceable in the manner hereinabove provided for in this Section 4, and in the manner provided for in ARTICLE VI of this Declaration.

Section 5. Repairs of Utility Lines. All sewer lines, water lines, electrical lines and other utility lines, other than those which are publicly owned, which service only a single Unit (whether located within the boundary lines of such Unit or the Common Areas, including, but not limited to, so called "laterals" or "customer service lines"), shall be maintained, repaired and replaced by the Owner of the Unit served thereby. All sewer lines, water lines electrical lines and other utility lines, located within the boundary lines of a Lot, which service fewer than all of the Units located within the boundary lines of such Lot, shall be maintained, repaired and replaced by the Owners of those Units serviced thereby, and all of such Owners shall be required to contribute, equally, to the costs of such repair, maintenance and replacement. Should any Owner of any Unit perform any maintenance, repair or replacement or servicing or upkeep to which other Unit Owners are required to contribute under this Section 5, then such Unit Owner shall be entitled to immediate reimbursement, upon demand, by such other Unit Owners, and the sum of such reimbursement to which such Unit Owner shall be entitled shall bear interest at the rate provided for by ARTICLE VI of this Declaration from the date of demand. Should such Unit Owner seek to enforce his right to reimbursement by legal proceeding, then, in addition to the sum of the reimbursement to which he is entitled, together with interest thereon, he shall be entitled to recover his reasonable costs, expenses and attorney's fees incurred in connection with such legal proceedings. The sum of such reimbursement shall constitute a lien against the Units of the Owners responsible therefor, and shall constitute a charge upon the land and the improvements, and the Unit Owner entitled to reimbursement shall be entitled to proceed to enforce such lien, by suit or otherwise, and, shall be entitled to recover the sum of the reimbursement to which he is entitled, together with interest thereon and his costs and attorney's fees.

Section 6. Other Maintenance or Replacement of Improvements on Units or Constituting Units. Each individual Unit Owner shall be required, at his sole expense, to do the following, to-wit:

(a) To maintain the interior of the Living Unit constituting a part of his Unit, and all interior surfaces of his Living Unit and of his Units;

(b) To maintain, in good repair, all structural elements of his Living Unit, and of his Unit, including walls, floors and foundations;

(c) To maintain, repair and replace all water lines, sewer lines and other utility lines which serve only his Unit (whether located within the boundary lines of his Unit or the Common Areas);

(d) To provide for all necessary replacements for any lawns, trees, shrubs or landscaping within the boundary lines of his Unit which are required in order to keep and

maintain his Unit in a neat and attractive condition and free of dead and dying grass, ground cover, trees, shrubs or landscaping materials;

(e) To provide for the maintenance, repair and replacement of heating and air conditioning equipment for his Unit and Living Unit (whether located within the boundary lines of his Unit or the Common Areas);

(f) To repair, replace and resurface, as required, all (or those portions of any) sidewalks, walkways, drives, driveways and parking areas contained within the boundary lines of his Unit, which may require repair, replacement or resurfacing so as to maintain same in a safe, neat and attractive condition;

(g) To repair, maintain and replace, so as to maintain same in a neat, attractive and sightly condition, all glass surfaces, patio and storage area walls and fences, and all doors and gates, and the hardware therefor, and all windows and window hardware for or serving his Unit or Living Unit;

(h) To maintain, repair and replace all parts of the roof and roof structure for his Unit, and all gutters and downspouts for his Living Unit and his Unit, if the roof and roof structure for his Living Unit is a clearly discernible, separate, roof (i.e. is divided from the roof serving any other Unit or Units or Living Unit or Living Units by a clearly discernible party wall or other structure);

(i) To perform all maintenance, repairs, replacements and servicing for his individual Living Unit, and the improvements located therein or constituting such Unit or Living Unit, and the surfaces thereof (both interior and exterior), the obligations for which are not imposed upon the Association, or certain Unit Owners collectively, by this Declaration;

(j) If a separately metered water system is not provided for the Association, to provide to the Association, together with Owners of other Units located within the Lot containing his Unit (same to be provided on an equal basis), all water required for the irrigation of trees, shrubbery, landscaping, lawns and other planting located within the boundary lines of the Units and Common Areas within such Lot;

(k) To provide all maintenance, repairs, replacements, servicing and upkeep for privacy fences and courtyards, and courtyard area and privacy areas for or serving his Unit or Living Unit, whether located within the boundary lines of the Unit or the Common Area;

(l) To provide all lawn and landscaping maintenance, repairs, replacements, servicing and upkeep within the boundary lines of any courtyard, privacy fence or private lawn area for or serving his Unit, whether located within the boundary lines of the Unit or the Common Areas; and

(m) To provide all maintenance, repairs, replacements, servicing and upkeep for all improvements located within or serving only the Unit, other than those to be performed by the Association pursuant to Section 1 above.

In the event an Owner or Owners of any Unit or Units fail to perform any repair, replacement or maintenance specifically imposed upon them by this Declaration, including this Section 6, and in the further event the Association's Board of Directors, in its sole, absolute and unmitigated discretion, determines that the conditions require maintenance, repair, replacement or servicing for the purposes of protecting the interest of other Unit Owners or the public safety of residents in or visitors to the Properties, or to prevent or avoid damage to or destruction of any part, portion, or aspect of the value of the Properties or of any Unit or Units, the Association shall have the right, but not the obligation, through its Directors, agents and employees, and after approval of a majority of the Board of Directors (no approval by the Members of the Association shall be required), to enter without permission, upon or within said Unit or Units and into the building or buildings thereon and to maintain, repair, replace and service the same. The costs of such maintenance, repair, replacement or service shall be added to and shall become a part of the Assessments to which such Unit or Units are subject. This type of Assessment shall be added to the Annual Assessments and charges provided for by the above terms and conditions of this Declaration, and shall be enforceable in that manner provided for by ARTICLE VI of this Declaration. In the event a privacy fence or porch or walkway, or other improvement common to two Units requires repair or replacement, the Owners of such two Units shall be required to contribute equally to the costs of such repair or replacement. If one of such Unit Owners pays the entire said cost then he shall be entitled to immediate reimbursement of one-half (½) of such cost from the other Unit Owner. If the necessity for such repair or replacement is caused by the fault or negligence of the Owner, occupants or invitees of any Unit, the Owner of such Unit shall pay the entire cost of same. In the event a sewer line, water line or utility line, serving more than one Unit, requires maintenance, repair or replacement, then the cost of such maintenance, repair or replacement shall be paid equally by the Unit Owners of the Units serviced by same. The costs of such maintenance, repair or replacement shall be added to, and shall become a part of the assessment to which each such Unit is subject. This type of Assessment shall be added to the annual Assessments and shall be enforceable in that manner provided for by ARTICLE VI of this Declaration. All of the maintenance, repair and replacement obligations imposed upon the individual Unit Owners by this Section 6 must be performed by such Owners so as to cause the Units to be maintained in a clean, neat, safe and attractive condition according to maximum reasonable standards of cleanliness, safety, neatness, attractiveness, aesthetics and beauty, so as to maintain the Development in as clean, safe, neat, attractive and aesthetically pleasing condition as is reasonably possible. In the event of any dispute over such standards of maintenance, including the standards of cleanliness, safety, neatness, attractiveness, aesthetics and beauty, such dispute shall be resolved either by the Association's Board of Directors, or by a maintenance committee appointed by it, which shall be made up of representatives as hereinabove provided for in Section 7 of this Article. Any such dispute shall be resolved in that manner provided for by such Section 7. It is the intention that these maintenance standards be strongly and vigorously enforced, so that the Development and all improvements located therein, be maintained as a Development of the highest order, and that maximum standards of cleanliness, safety, neatness,

beauty, attractiveness and aesthetics be maintained, and that the Development be free of any conditions of unsightliness, including, but not limited to, those conditions specifically described in such Section 7.

Section 7. Standards of Maintenance, Repair and Replacement. The Owners of each of the Units located within the Development shall be obligated to each other, and to the Association, and the Association shall be obligated to each and all of the Unit Owners, and the Unit Owners and the Association shall be jointly and severally obligated to each other, to cause the grass cutting, irrigating, snow removal, painting, cleaning, tuckpointing, maintenance, repair, replacement, servicing and upkeep hereinabove described in this ARTICLE IX to be performed, at all times, so as to cause each of the Units, and all Common Areas and Common Elements, and all Buildings, contained within the Development, and all improvements contained within the Development, to be maintained in a clean, safe, neat and attractive condition, according to maximum reasonable standards of cleanliness, safety, neatness, attractiveness, aesthetics and beauty, so as to maintain the Development in as clean, safe, neat, attractive and aesthetically pleasing condition as is reasonably practicable. In the event of any dispute over the standards of maintenance, including the standards of cleanliness, safety, neatness, attractiveness, aesthetics and beauty, such dispute shall be resolved either by the Association's Board of Directors, or by a Maintenance Committee appointed by it, which shall be made up of three (3) persons holding ownership interests in three (3) separate Units representing three (3) distinctly different geographical sections of the Development (who must not be the Developer or its assignees), and one (1) representative of the Association's Board of Directors. If any such dispute is to be resolved by the Association's Board of Directors, then such dispute must be resolved by the majority vote of all Directors who are present and voting. If such dispute is to be resolved by the Maintenance Committee, then a decision of a majority of the members of such committee present and voting shall resolve the dispute. Any decision made by the majority vote of the Board of Directors, or by a majority of such committee, shall be binding upon all parties. It is the intention that the Development, and all improvements located therein, be maintained as a development of the highest order, and that maximum standards of cleanliness, safety, neatness, beauty, attractiveness and aesthetics be maintained, and that the Development be free of any conditions of unsightliness, including (by way of example only but not by way of limitation), the following: chipped, flaking or discolored paint; dead or dying lawns, trees, shrubs, vegetation or the like; discolored roofs or roofs requiring patching or maintenance; loose, rusted or discolored gutters or downspouts; walkways, driveways, sidewalks or parking areas requiring patching or resurfacing; brick surfaces in need of cleaning or tuckpointing; or other conditions of any kind or nature whatsoever, without limitation, which would reasonably be construed as not in keeping the maximum standards of cleanliness, safety, neatness, beauty, attractiveness or aesthetics, and that the standards be very strongly and vigorously enforced and very strongly applied.

Section 8. Special Assessment. In the event an Owner or Owners of any Unit or Units fail to perform any repair, replacement or maintenance specifically imposed upon them by this Declaration, including this ARTICLE IX, and in the further event the Association's Board of Directors, in its sole, absolute and unmitigated discretion, determines that the conditions require maintenance, repair, replacement or service for the purposes of protecting the interests of any

Unit Owners, or of other Unit Owners, or the public safety, or the safety of residents in or visitors to the properties, or to prevent or avoid damage to or destruction of any part, portion or aspect of the value of the Property or of any Unit or Units, the Association shall have the right, but not the obligation, through its Directors, agents and employees, and after approval of a majority of the Board of Directors (no approval by the members of the Association shall be required), to enter without permission, upon or within said Unit or Units, and any portion of the Lot or Lots within which same are located, and into the building or buildings thereon, and to maintain, repair, replace or service the same. The cost of such maintenance, repair, replacement or service shall constitute a special Unit assessment against each of such Units, responsible therefor, and shall become a part of the assessment to which each such Unit or Units are subject, and shall constitute a lien, and be collectible and enforceable in that manner hereinabove described in ARTICLE VI of this Declaration.

Section 9. All Repairs to be Collectively Performed are to be Deemed to be Performed by the Association. All repairs which are to be performed by other than the Owner of a single Unit (i.e. either by the Association, or by the Owners of Units located within or containing a Building, or by the Owners of certain Units), shall, for purposes of construing the easements in the Association hereinafter provided for by ARTICLE X of this Declaration, be deemed to be repairs and maintenance and replacements to be performed by the Association. If any repairs are to be collectively performed by the Owners of more than one Unit, then all and each of such Owners, and their designees, shall be deemed to have any easements over (and rights to enter upon) each of such Units, which are conferred upon the Association by ARTICLE X of this Declaration or by any of the provisions of this Declaration. If any Owner of any Unit shall fail or refuse to perform (or to contribute to the performance of, or to permit the performance of) any maintenance, repair, replacement, servicing or upkeep, which is to be performed by such Unit Owner (or to which such Unit Owner is to contribute), then the Owners of all other Units (and of each of such Units), who are also obligated for the performance of such maintenance, repair, replacement or servicing and their designees and contractors, shall have a right of access, and an easement to, over and through all of the property and the Unit of the Unit Owner who has failed to perform (or to permit or to cause to be performed) such maintenance, repair, replacement, servicing or upkeep; provided that the exercise of this easement shall be at reasonable times with reasonable notice to the individual Unit Owners, except in any case where emergency exists which would place any Unit, or any portion thereof, or any other portion of the Properties, or any part or portion of the value of the properties, in immediate peril or danger if repairs, maintenance and/or restoration were not immediately effected.

Section 10. Association need not Maintain Common Area not Conveyed to Association. Any of the provisions of this Article IX to the contrary notwithstanding, and any of the provisions of this Declaration to the contrary notwithstanding, the Association need not perform, unless the Association in its discretion elects to do so, any maintenance, repairs, replacements, servicing or upkeep, of any kind or nature whatsoever, for any Common Area (or area deemed to be or treated as Common Area) located within a Lot until such Common Area has been conveyed to the Association. Until such Common Area has been conveyed to the Association (unless the Association elects to maintain same, which it may do and then, thereafter, elect not to do) the Owner of such Common Area shall be required to perform all mowing, irrigation,

fertilization, cleaning and other maintenance, repairs and services required to maintain such Common Area in a clean, neat, safe and attractive condition. The provisions of this ARTICLE IX, and the provisions of this Declaration to the contrary notwithstanding, the Association shall not be required to provide any lawn mowing, lawn servicing, irrigation, landscaping services, snow removal, or other maintenance, repairs, servicing or upkeep for any Unit, until a Class A membership has attached to such Unit, and such Unit has become subject to assessment hereby, and has paid the first installment on the assessment, and, until such events have occurred, the Owner of the Unit must provide all lawn mowing, lawn irrigation, snow removal, cleaning, and other maintenance, repairs, replacements, servicing and upkeep, required to maintain the Unit, and all parts and portions thereof, in a clean, neat, safe and attractive condition, free from unsightly conditions, and free from dead or dying lawns, trees, shrubbery or other unsightly conditions. The provisions of this ARTICLE IX, and of this Declaration to the contrary notwithstanding, the Developer, or any Builder, who owns a Unit before a Class A membership attaches thereto, shall have all duties and obligations for maintenance, repairs, replacements, servicing and upkeep imposed upon the Unit Owners and the Association, by this ARTICLE IX, for each Unit owned by it or them. The above provisions of this ARTICLE IX, and of this Declaration to the contrary notwithstanding, the Association shall have no duties or obligations (unless it elects to assume same or to undertake same) to provide any mowing, irrigation, fertilization, or other maintenance, repairs, replacements, servicing or upkeep for Common Areas (or areas deemed to be or treated as Common Areas) located within a Lot, until all Units located within such Lot have had attached thereto Class A memberships, and have paid the first installments upon the annual assessments, unless the Owners of such Units agree to pay to the Association the installments on the annual assessments which would otherwise be required by this Declaration if Class A memberships had attached to all such Units; provided, however, that once a Class A membership has attached to a Unit, the Owner of such Unit shall be obligated to pay the assessments provided for by this Declaration, even though the Association may not be required to provide for the Unit or the adjacent Common Area any services under this Declaration. [Example: If one Unit located within a Lot has been conveyed, and a Class A membership has attached thereto, but Class A memberships have not attached to the remaining Units located within the Lot, the Association shall be required to provide services within such Lot, and for the Units and Common Area located within such Lot, only if the Owner of the remaining Units (i.e. those not subject to Class A memberships), agree to pay, for such Units, the installments on assessments which would otherwise be due from the Owners of such Units, if Class A memberships had attached thereto.] Even though the Association may not be required to perform maintenance, repairs, replacements, servicing or upkeep within a Lot, the Owners of the Units located within such Lots shall, nevertheless, be required to maintain the entire such Lot, and all buildings and improvements located thereon, in a clean, neat, safe, well kept and attractive condition, free from conditions of unsightliness.

Section 11. Maintenance of Unit and Adjacent Common Area if Unit is not Subject to Assessment. All provisions of this Declaration to the contrary notwithstanding, if a Unit contains thereon a started, or fully completed or partially completed Building or Living Unit but such Unit is nevertheless not subject to Annual Assessments under Article VI of this Declaration because the Living Unit of such Unit has not been rented, sold or otherwise conveyed, by the Builder and has not been occupied as a Dwelling, then, in such event, the owner of such Unit

(whether the Builder or any other person or persons), shall be obligated to perform as to such Unit and the Building located thereon all duties and obligations which the Unit Owner of such Unit is otherwise obligated to perform under the provisions of this Article IX and must do so in a diligent, good faith and workmanlike manner. In addition, such Builder or other owner shall be obligated to perform, as to the Unit and the Common Area immediately surrounding such Unit, all of the duties and obligations for maintenance, repair and replacement which the Association would otherwise be obligated to perform under the provisions of this Article IX; as assessments attributable to such Unit are not available to the Association to pay or defray the cost of performance of its duties. The Association shall not have as to such Common Area or the Unit or the Building located upon such Unit, any duties or obligations for maintenance, repair, replacement, snow removal, lawn maintenance, lawn mowing, lawn irrigation, or any duties of maintenance, repair, replacement, upkeep or servicing (or any other duties) until the Unit is subject to Annual Assessment. If the Unit is located upon a Two Unit Lot, and the other Unit is subject to Annual Assessments, then the owner of such Unit shall be obligated to contribute fifty percent (50%) of all costs and expenses incurred for the maintenance, repair, replacement, servicing and upkeep of the Common Areas within the Lot and all improvements located thereon, and all lawns and landscaping located within the Lot, until both Units are subject to Annual Assessment. If any Builder or Owner shall fail to discharge such Builder or Owner's duties and obligations under the provisions of this Section 11, then the Association may (but shall not be obligated to do so) perform any and all maintenance, repairs, replacements, servicing and upkeep which such Builder or Owner would otherwise be obligated to perform under the provisions of this Section 11, and the Association's costs and expenses incurred in such respect, together with interest thereon at the rate of ten percent (10%) per annum and all of its attorney's fees and other expenses incurred in enforcing the duties and obligations of the Owner or Builder, shall constitute a special Assessment and Lien against the Unit, which shall be payable and enforceable in the manner described in Article VI of this Declaration. Such Assessments may be enforced in the same manner as is provided for the enforcement of Assessments under Article VI of this Declaration. It is of the essence of the duties and obligations of each Builder or Owner who erects upon a Unit or Lot any Building, that such Builder or Owner:

A. Complete such Building, in a good and workmanlike manner, with reasonable diligence;

B. Construct and complete the Building and each Living Unit in a safe manner;

C. To the extent reasonably practicable, maintain the Lot and each Unit in a clean and neat and safe condition during construction.

Should any Builder abandon the construction of a Building, once started, then the Association may cause such Building to be razed and removed from the Lot and Unit, at the cost and expense of the Builder, with such cost and expense to constitute a special Unit Assessment and Lot Assessment, which shall be enforceable in the manner described in Article VI of this Declaration and which shall constitute a lien in the manner provided for by Article VI of this Declaration. Buildings and Living Units and Dwellings shall not be permitted to stand in an

incomplete or partially completed condition for any appreciable or substantial period of time, and once construction has started it shall be prosecuted to completion, as soon as reasonably practicable, with the exercise of reasonable diligence and good construction practices.

ARTICLE X

GRANTS AND RESERVATIONS OF EASEMENTS

Section 1. Easements for Repair, Maintenance and Restoration. The Association shall have the right of access and an easement to, over and through all of the Properties, including each Lot and Unit and the Buildings and structures located thereon, for ingress and egress and all other purposes which enable the Association to perform its obligations, rights and duties with regard to maintenance, repair, restoration and/or servicing of any items, Units, things or areas of or on the Properties, provided that exercise of this easement as it effects the individual Units shall be at reasonable times with reasonable notice to the individual Unit Owners, except in any case where emergency conditions exist which would place any Unit, or any portion thereof, or any other portion of the Properties, or any part or portion of the value of the Properties in immediate peril or danger if repairs, maintenance and/or restoration were not immediately effected.

Section 2. Easements for Road or Driveway or Walkway or Sidewalk Purposes. Easements for road or driveway or walkway or sidewalk purposes shall exist, as established by the Plat, and shall exist, whether or not shown on the Plat or formally dedicated by any Plat or other instrument over all private roads, streets, driveways, sidewalks and parking areas which serve any Unit, as actually constructed (whether contained within the Common Areas or within the boundaries of a Unit). Such easements, which shall exist over all nonpublic roads, streets, driveways, drives, parking areas, walkways and sidewalks constructed within the Parcel and within the Property (whether located within the Common Areas or the boundaries of one or more of the Units), shall be owned by the Association, which shall hold the same for the benefit of all Units and all Unit Owners and the residents of all Units. It is anticipated that certain portions of the driveways, parking areas, drives, walkways and sidewalks constructed within the Parcel, and constituting a part of the Property, will be located within the boundaries of certain of the Units. Such portions of such driveways, drives, parking areas, walkways and sidewalks shall be subject to the easements for road, or driveway, or walkway, or sidewalk purposes provided by this Section 2, and the individual Unit Owner, owning the Unit within which such portion of the driveway, drive, parking area, walkway or sidewalk is located, shall have no right whatsoever to erect any structure or improvement upon such portion of such drive, driveway, parking area, walkway or sidewalk or to use such portion of such drive, driveway, parking area, walkway or sidewalk in such a manner as to interfere with, or block the usage of such portion of such drive, driveway, parking area, walkway or sidewalk by other Unit Owners who must necessarily use such portion of such drive, driveway, parking area, walkway or sidewalk in order to obtain access to, or ingress to or egress from their particular Units. The easements provided by this Section 2 shall constitute a part of the Common Elements, and the driveways, drives, parking areas, sidewalks and walkways, shall constitute a part of the Common Elements. All Unit Owners and residents shall have an easement across the real estate subject to such

easements and all roads, driveways, drives, parking areas, sidewalks and walkways within the Property when required for access to and ingress and egress to and from their respective Units, which shall run with their Unit. Such easement for access, ingress and egress shall be appurtenant to, and run with each Unit. The easements in the Association described by this Section shall be appurtenant to, and run with the Common Areas and Elements. The Developer hereby reserves an easement, concurrent with the easements for road, driveway, walkway or sidewalk purposes and other easements described by this Section, over and upon the real estate subject to such easements, and over all roads, streets, driveways, drives, parking areas, walkways and sidewalks not publicly dedicated for purposes of access to, ingress to and egress from all and every part of the real estate first described in the Declaration for construction purposes; provided, however, that such easements for construction purposes shall not be used in such a manner as to unreasonably interfere with the use and enjoyment of any particular Unit by the Owner thereof. Notwithstanding anything to the contrary hereinabove set forth, the streets, roads, driveways, walks, walkways and other elements subject to the easement by this Section 2, shall be maintained in that manner hereinabove provided for in ARTICLE IX of this Declaration.

Section 3. Easement for Encroachments. Each Owner of a Unit covenants that if any portion of any improvement, whether same be an improvement of an Owner or of the Association, encroaches upon a Unit, a valid easement for the encroachment and for the maintenance of same, so long as it stands, and for repair and reconstruction thereof, in the event of damage or destruction, shall and does exist. In the event an improvement is partially or totally destroyed and then re-constructed, each Owner of any Unit further covenants that encroachment of any portion of any improvement, whether of an Owner or of the Association, upon a Unit due to construction shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist. Each Building, and all utility lines and other improvements as originally constructed on each Unit shall have an easement to encroach on any other Unit, and upon the Common Areas and dedicated areas as originally constructed and laid out; and the Common Areas, dedicated areas and each building and all utility lines and other improvements as originally constructed thereon, shall have a reciprocal easement for encroachment upon each Unit and any portions of the Property. Such encroachments may occur (and it is anticipated that such encroachments will occur because of overhanging eaves, balconies, decks and footings and foundations) as the result of overhangs in the design, or deviations in construction from the Development Plans or location of Buildings, utility lines and other improvements across boundary lines and between and among Units, Common Areas and dedicated areas.

Section 4. Easement for Support. Every portion of a Building, or utility easements and lines, and of any portion of the Properties contributing to the support of another Building, utility appliance, utility equipment, utility line, improvement, or any other portion of the Properties, shall be burdened with an easement of support for the benefit of all other such Buildings, utility easements and lines, improvements and other portions of the Properties.

Section 5. Construction and Development Easement. The Developer shall have an easement of ingress and egress for the purpose of construction and development of any part of

the Parcel, and for the purpose of construction and development of any part of the Properties, for so long as the exercise of such easement does not unreasonably interfere with the use of the recreational facilities and Common Areas and provided that such easement does not apply to the individual Units which have been completed and conveyed to Owners.

Section 6. Access, Ingress and Egress. Every Unit Owner shall have an easement for access to, ingress to and egress from his Unit over, across and upon all streets, drives, driveways, parking areas, walkways and sidewalks, as shown by the Plat or as constructed within the Property (whether or not shown by the Plat), and all real estate and portions of the Common Areas and Common Elements, and all real estate contained within any of the Units upon which a street, drive, driveway, parking area, walkway or sidewalk is constructed, as necessary to insure adequate means of access to, ingress to and egress from the Unit Owner's Unit and to the Common Areas, and the full enjoyment of the Owners' Unit and the improvements located thereon. Every Unit Owner shall have an exclusive easement over and upon any patio, balcony, deck, or private garden attached to or adjacent to, and abutting upon his Unit, and intended for his exclusive use. Such easements as are described in this Section shall be appurtenant to and run with each Unit.

Section 7. Other Easements. All other easements, as shown by the Plat, whether public or private, shall exist as shown by the Plat.

ARTICLE XI

USE RESTRICTIONS

The Lots, Units and the Buildings, Dwellings, improvements, structures and Living Units located thereon shall be subject to the following provisions and restrictions:

Section 1. Single Family Residence. No Unit shall be used for any purposes other than as a residence site for a single family. For the purposes of this restriction upon use, a "family" shall be deemed to mean a "family" as defined in Section 3 (d) of Article VII of this Declaration. Short term guests are permitted. There shall be no prohibition upon renting or leasing of Units. No such prohibition shall be either expressed or implied.

Section 2. No Roomers or Boarders. Except to the extent provided in Section 1, it is hereby provided that no boarders or roomers shall be permitted in addition to the family occupying each such Unit. The provisions of this Section 1 and 2 (and any provisions of this Declaration), shall not be deemed to prohibit the renting or leasing of a Unit; provided, however, that such Unit must be used as a single family residence. Renting or leasing of Units is permitted.

Section 3. Home Occupation. The restriction above to use of any Unit as a single family residence shall not prohibit the conduct of a "home occupation" upon said Unit as defined herein. Home occupation means any occupation or profession carried on by members of the immediate "family" residing on the premises, in connection with which there is not used any

sign or display that will indicate from the exterior that the Building is being utilized in whole or in part for any purpose other than that of a single family residence dwelling; in connection with which there is no commodity sold upon the premises, and no person is employed other than a member of the immediate family residing on the premises, and no mechanical or electrical equipment is used except such as is permissible for and is customarily found in purely domestic or household premises for the family residing therein; and in connection with which no noise (of any kind or nature whatsoever), and no disturbance (of any kind or nature whatsoever), and no odor or fumes or vapors or dust or air borne particles (of any kind or nature whatsoever) are generated; and in connection with which there are no persons employed other than members of the immediate family residing on the premises; and in connection with which no tools or equipment are used except such as are permissible for and are customarily found in purely domestic or household premises for the family residing therein; and in connection with which no traffic is generated; and in connection with which no item of goods, material or equipment is stored in the premises. A professional person may use his residence for infrequent consultation, or emergency treatment, or performance of his profession. Permitted home occupations shall not include barber shops, beauty shops, shoe or hat repair shops, tailoring shops or any type of pick up station or similar commercial activities but the recitation of these particular exclusions shall not be deemed to constitute authorization for the conducting of other businesses or enterprises which are precluded by the previous language of this paragraph or by other sections of the Declaration, Articles or Bylaws. Nothing herein shall be construed to permit home occupations not permitted by applicable zoning laws. No family daycare homes, daycare centers, preschool centers, nursery schools, child placement centers, child education centers, child experiment stations or child development institutions, or similar facilities, shall be permitted, and daycare of children for hire shall not be permitted. No group homes, halfway houses or similar facilities shall be permitted. Living Units shall not be used as a church or as a regular place for conducting religious services or group worship, or for a school. No Lot or Unit shall be used for commercial activity, except as specifically permitted by this Section 3.

Section 4. Additional Structures. No additional and/or accessory structures, improvements of any kind or nature whatsoever, walls, fences or Buildings of any nature whatsoever, or sheds, posts, poles, storage sheds, dog houses, storage boxes or similar items of any nature whatsoever shall be erected upon any Lot or Unit, in addition to the basic Building, patio, walk, deck, porch and any other improvements originally provided by the Developer or Builder, or any reasonably similar replacement thereof, or addition thereto, without the approval of the Architectural Control Committee.

Section 5. Parking. Except as may be otherwise provided by specific regulations of the Association, no uncovered parking spaces on the Properties or any streets within the Development shall be used for the parking of any trailer, truck, boat, camper, mobile home, motor home or anything other than operative automobiles, which are in good condition and repair, and which are used with very substantial, regular frequency (it being the intention of the parties that inoperative automobiles not be placed within the Development, and not be stored within the Development, and that automobiles not used with very substantial regular frequency not be placed within the Development). The word "trailer" shall include trailer coach, house trailer, mobile home, automobile trailer, campcar, camper or any other vehicle whether or not

self-propelled, constructed or existing in such a manner as would permit the use and occupancy thereof for human habitation, for storage, or the conveyance of machinery, tools or equipment, whether resting on wheels, jacks, tires or other foundation and used or so constructed that it is or may be mounted on wheels or other similar transporting device and used as a conveyance on streets and highways. The word "truck" shall include and mean every type of motor vehicle other than automobiles and vans and pick-up trucks and other similar utility vehicles used as passenger vehicles by persons occupying the Units. No covering or walling in of uncovered parking spaces shall be permitted except as specifically approved by the Association or it Architectural Control Committee. Provided, however, that this Section shall not apply so as to interfere with normal construction methods in the construction and development of any part of the Properties, or of additional Units thereon. Notwithstanding anything to the contrary hereinabove set forth, the Association may, if the Association's Board of Directors elects to do so, place upon the Common Area appropriate parking for recreational vehicles, campers, boats, mobile homes and other recreational vehicles; provided, however, that same shall be so constructed and placed as to not in any respects interfere with the use or enjoyment of any of the Units, or with the appearance of the Units, and such parking shall be constructed in such a manner as to be harmonious with the surroundings. The above provisions of this Section 5 to the contrary notwithstanding, Unit Owners shall be permitted to park within the boundary lines of the Lot containing their Unit, and within the parking spaces provided for their Unit (but not within parking spaces reserved for other Units), for reasonable periods of time (not to exceed 24 hours, and not to exceed 4 such periods of 24 hours within any calendar month), a trailer, truck, camper, mobile home or motor home so as to permit the reasonable loading and unloading of such trailer, truck, camper, mobile home or motor home. Such vehicle shall be parked within the Development solely for reasonable loading and unloading, and for no other purposes. The streets within the Development shall not, in any event, be used as a location for the regular parking of automobiles or vehicles of any residents, Unit Owners or the vehicles of residents or such owners shall be parked within the offstreet parking spaces, and where practicable shall be parked within the enclosed garages. All present and future Unit Owners and occupants shall be deemed to have agreed that the provisions of this Section 5 shall apply not only to the Lots and the Units, but also to any public streets which abut upon any of the Lots. All Unit Owners, agree, on behalf of themselves and their successors, and all present and future Owners and occupants of Units, to be bound by the restrictions set forth in this Section 5 as to all public streets and portions thereof, and the provisions of this Section 5 shall be enforceable as to the public streets, the same as with respect to the Units.

Section 6. Nuisances. No illegal, noxious, noisy or offensive activities shall be carried on upon the Unit or upon the Common Areas nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 7. Signs. No signs of any kind shall be displayed to the public view of the Properties except those:

(a) On the Common Areas and approved in advance by the Directors;

(b) Regarding and regulating the use of the Common Areas and approved in advance by the Directors;

(c) Used by the Developer or a Builder to advertise the Units for sale or to identify the financing and/or the construction agents during the construction and sales period;

(d) One professional sign used to advertise a Unit for sale or rent; provided that same shall be no more than five (5) square feet (i.e. five feet by five feet) in area, and no more than five (5) feet tall, and that same shall only state that the Unit is for sale or rent, together with the name and telephone number of the Unit Owner or his agent;

(e) Traffic signs or directional signs, or signs imposing traffic rules or regulations located on the Common Areas, and approved in advance by the Directors.

Nothing contained in this Section 7 shall, however, be construed to permit signs within the Properties or the Development, or within the boundary lines of the Units, not otherwise permitted by applicable sign ordinances of the City of Columbia, Missouri.

Section 8. Exterior Wiring, Antennas or Installations. No exterior wiring or antennas, or satellite antennas or satellite receiver dishes, or aerials, or similar devices, shall be permitted on any Lot or Unit or on the exterior portion of any Building or improvement situated upon any Lot or Unit except as may be approved in advance by the Architectural Control Committee. No air conditioning or other types of installation shall be installed or permitted which appears on the exterior of any Building or which protrudes through the walls, roof or window area of any building on any Lot or Unit except as may be approved by the Architectural Control Committee.

Section 9. Livestock, Poultry and Pets. No animals, livestock, poultry or pets of any kind shall be raised, bred or kept upon or in any portion of the Properties, except that up to two (2) dogs or cats or other normal household pets per household may be kept in and upon Units subject to the following provisions:

(a) Such pets may not be kept in or upon any Unit, temporarily or permanently, for any commercial purpose;

(b) Such pets shall not be allowed to disturb others by barking, noise or other activities, and shall not run loose on portions of the properties other than the Unit in which kept, and shall not be either chained or housed, or allowed to run loose upon the exterior portion of any Unit, or upon the exterior portion of any Building located on any Unit; provided, however, that such pets may be chained or allowed to run within any private patio or deck portion of a Unit if such pets do not thereby create a nuisance, or in any respects cause inconvenience to owners of occupants of other adjacent Units, and that the portion of the Unit so occupied by the pet is sufficiently fenced to enclose such pet; provided further, however, that no pet shall, in any event, be housed outside of the Building located on a Unit;

(c) It is understood that the enjoyment of the Properties by all Owners and residents thereof, and the success of this Development, might be jeopardized by violations of these conditions; accordingly, the Directors may by majority vote and after three (3) complaints require that any certain pet(s) be removed permanently from the Properties and the Owner of the Unit shall have a period of thirty (30) days to comply with such decision of the Directors;

(d) The Owner of a Unit which has such pet(s) kept in or upon it - and not residents or the Owners of any other part of the Properties - shall bear all risks which result from the presence of pets. Accordingly, such Owner shall be absolutely responsible for adherence by the pets to these conditions and be absolutely liable for any and all injury and damage done by such pets to persons or property, and due care or absence of negligence, or absence of demonstration by the pet of propensities or tendencies to perform certain acts, shall not constitute a defense.

(e) No dog pens are allowed in the Development. "Dog pens" shall include pens with improved or non-improved floors, with fences on top and/or around which are used to encage animals.

(f) No dog houses are allowed within the Development;

(g) Under no circumstances shall pets be allowed, after sunset and before sunrise, to remain outside the Building of a Unit or be housed, kept or allowed to run outside the Building;

(h) Dogs and other pets shall not be kept or restrained by electric fences, or by fences or enclosures which use buried wires in order to transmit a signal or charge to the pet or dog.

Section 10. Trash, Storage, Disposal/Stacking of Firewood. All trash, rubbish, garbage and other materials being thrown away or disposed of by Unit Owners or residents on the premises must be placed or contained in one or more trash cans or containers purchased by the respective Unit owners or residents, which cans or containers shall be flytight, rodent proof, non-flammable, reasonably waterproof and which shall be covered. These cans or containers are to be stored in concealed locations on Units, and may be placed in open locations only for a period of not in excess of eight (8) continuous hours in any week, so as to facilitate collection. The outdoor placement of or storage of materials, equipment, canoes, boats, or other items of any kind, nature or description whatsoever, on any outside portion of a Building shall be prohibited, with the provision that the placement of such functional items as patio and outdoor living equipment within private patios, courtyards, private lawn areas or porches or decks shall be permitted, and that the use of children's bicycles and play equipment and other items approved by the Directors of the Association (but not the storage of same) in such a manner as not to unreasonably interfere with the enjoyment of the Units and Common Areas by other Owners and residents, shall be exempt from this provision. Because of the hazards of fire, storage of highly flammable or explosive matter is prohibited on any portion of the Properties. Provided, however, this section shall not apply so as to interfere with normal construction

methods in the Construction and development of any portion of the Properties. All trash or mixed refuse placed on the curb line shall be contained in suitable containers. The Association shall have the right to designate specific areas where trash or mixed refuse shall be placed, and to promulgate reasonable rules and regulations for the location or placement of trash or mixed refuse, and for the types of containers which shall be used for trash or mixed refuse placed on the curb line of the public streets. All trash or mixed refuse shall be placed, at the appropriate location, on the curb line of the public street, in time to permit the orderly pick-up thereof on the day designated by the Mixed Refuse Service for mixed refuse pick-up. If a Unit Owner or occupant does not place trash or mixed refuse at the appropriate location in time to permit the orderly removal of same by the Mixed Refuse Service, then such owner or occupant shall be required to remove same from the curb line and to make other arrangements for the orderly removal of same. No owner or occupant of any Unit shall permit trash or mixed refuse placed by him on the curb line of the public street to remain at such location after the mixed refuse trucks have made a pick-up at such location. All bags or containers used by Unit owners for the placement of trash or mixed refuse on the curb line of the public street shall be such as will reasonably prevent the littering of the area, or the scattering of the trash or mixed refuse. The above provisions of this Section 10 to the contrary notwithstanding, neatly stacked firewood, in reasonable amounts, can be stored at reasonable locations, if same does not present an unsightly condition and does not interfere with the rights of other Unit Owners. Firewood shall not be stacked in any driveway, or within the front yard or lawn of any Unit or Lot, nor in front of any Building, and shall be stacked, where practicable, so that same is not in view from the street.

Section 11. Temporary Structures. No structure of a temporary character, shack, shed, tent, dog house, locker or other out building shall be used on any Lot or Unit on a temporary or permanent basis unless included in the plans and specifications of the Building as constructed by the Developer or Builder or unless approved under the provisions of the Declaration relating to Architectural Control, or unless used by the Developer in normal construction methods. Provided, however, that this section shall not apply so as to interfere with normal construction methods in the construction and development of any part of the Properties.

Section 12. Open Fires. No open fires shall be permitted on the individual Unit premises, with the exception of outdoor grill-type fires used for the preparation of food to be consumed on the premises.

Section 13. Interference with Maintenance by Association. No Owner or resident of a Unit or any portion of the Property shall have, claim or exercise any right to maintain, alter the appearance of, or change or improve any areas or surfaces of the Properties or the color thereof (including the exterior surfaces of the exterior walls of Units).

Section 14. Garages. All garage doors shall be kept closed at all times other than when driving vehicles into or out of garages, or when placing other articles in or removing other articles from garages. No garages shall be used for storage of goods, merchandise, wares, tools, equipment, produce, products or other items of any kind or nature whatsoever used in connection with a business or commercial activity. Garages shall be kept open for parking with

vehicles and storage of items within garages shall not be such as interferes with the normal use of same for the parking of vehicles.

Section 15. Planting and Gardening Prohibited/Lawn Maintenance. Except in the individual patio areas, or private deck areas, or private garden areas, or private porch areas, or private courtyards, or other areas inside privacy fences, or other areas designated by the Board of Directors, no planting or gardening shall be done, unless approved in advance by the Association's Board of Directors, and no fences, hedges or walls shall be erected or maintained upon any Lot or Unit except as are planted or installed in accordance with the initial construction of the improvements on any Unit, or as approved by the Architectural Control Committee. Nothing shall be placed or located within the front or side yard of any Lot or Unit, other than reasonable sidewalks, reasonable driveways, and normal, reasonable grass, ground cover, trees, shrubs, flowers and other normal, reasonable landscaping materials, as installed, originally, by the Developer or by the Builder, and replacements therefor. No vegetables or grains (including but not limited to tomatoes, corn or other vegetables or cereal grains) shall be planted, other than within normal privacy fences or privacy areas, and, in no event, shall any such vegetables or grains be planted in the front or side yards so as to be open to view from the street. Front yards and side yards will be generally be restricted to normal sidewalks, normal driveways, usual and customary grass, trees, shrubs, flowers and other landscaping materials. All grass, trees, shrubs, flowers, lawns and landscaping materials located within each Lot and Unit must be kept in a clean, neat and well maintained condition, and in a condition of good appearance and in a condition which comports with the general condition of lawns and landscaping areas located throughout the Development. Lawns shall not be permitted to become weed infested. Dead or dying lawns, trees, shrubs and other landscaping material must be removed and replaced. That all lawns within the Development comport, generally, with the general quality and appearance of lawns located throughout the Development is of the essence of the duties and obligations of the parties hereunder. The lawn shall be kept well mowed and free of weeds.

Section 16. Storage Tanks and Basketball Goals. No tank for the storage of fuel may be maintained on any Unit above the surface of the ground without the consent in writing of the Association's Board of Directors. No basketball goal shall be constructed or used within the Development or on any Lot or Unit unless same are consistent with standard designs and materials therefor approved, in advance of construction, by the Architectural Control Committee. All basketball backboards must be clear or neutral in color. All poles shall be of neutral color or shall be black. Nets must be replaced when frayed or torn. Outdoor basketball goals shall be located only at such locations as shall be approved, in advanced, by the Architectural Control Committee. The Association's Board of Directors or the Architectural Control Committee shall each have the right at all times to make, alter and revoke reasonable rules and regulations regarding the hours of use of basketball goals and all such rules shall be binding upon the Lots and Lot Owners and the Units and Unit Owners and they shall be obligated to abide by same. Under no circumstances shall a basketball goal be erected or used other than in conformity with the provisions of this Section 16. Under no circumstances shall a basketball goal be placed in street or cul-de-sac, nor shall basketball be played within a street or cul-de-sac.

Section 17. Automotive Repair Prohibited. No automotive repair or rebuilding or any other form of automotive manufacture, whether for hire or otherwise, shall occur on any Lot or Unit or Common Area hereby restricted; provided, however, that Unit Owners shall be permitted to perform ordinary periodic maintenance upon their motor vehicles within enclosed garages upon their respective Units.

Section 18. Awnings and Storm Doors Prohibited. No awnings or storm doors, not installed by the Developer, may be constructed or erected or any external changes made on or to any building or improvement unless approved in writing by the Association.

Section 19. Two, Three and Four Wheeled Recreation Vehicles. Motorcycles, mopeds, powered scooters, powered tricycles, motor bikes, all terrain vehicles, ATVs, two, three or four wheeled recreational vehicles similar to ATVs or all terrain, may not be run within the Development, either on streets, roads (including public streets and roads), or Common Areas or Common Elements; provided, however, that they may be used solely to go to and from the Unit Owner's Unit for purposes of going to and from work, or one's job, or to school. No such vehicles shall be used within the Development for purposes of recreation. All such vehicles must have a suitable muffler, so as to provide for quiet operation. In the event of three (3) complaints, the Association's Board of Directors may require that any such vehicle be removed from the Development. This restriction shall apply to Lots, Units, Common Areas, and all public streets abutting upon the Lots, and it is hereby agreed, on behalf of all Unit Owners, that it shall so apply.

Section 20. Enforcement. In addition to any rights and remedies provided to the Association or the Unit Owners by this Declaration or by law for the enforcement of the use restrictions established by this ARTICLE XI, and in addition to any other rights and remedies hereinabove provided for in this ARTICLE XI, the Board of Directors of the Association shall, in the event of a violation of any of the use restrictions hereinabove established by this ARTICLE XI, in its sole, absolute and unmitigated discretion, have the following additional rights, powers and authorities, to-wit:

(a) To deny to any Units or any Owners which are in violation of the use restrictions or which are being used in violation of such use restrictions, any maintenance or other services which the Association might otherwise be required to provide;

(b) To impose upon the Unit (and the Owners thereof), being used in violation of any of the use restrictions, a special assessment (by way of a fine), in such amount as the Association's Board of Directors, in its sole, absolute and unmitigated discretion shall deem appropriate, not to exceed Two Hundred Dollars ($200.00) per month during the continuance of the violation. Such fine shall constitute a special Unit assessment upon the Unit (and the Owners thereof) subjected to the assessment. Such special Unit assessment shall be payable to the Association, upon demand, and shall be added to (and become a part of), the other assessments to which the Unit (and the Owner thereof) is subject, and shall be enforceable in the same manner as is provided for the enforcement of other assessments under ARTICLE VI of this Declaration;

(c) To deny to the applicable Unit, and the Owners, occupants, guests and invitees thereof, access to the Unit, and to any parking spaces designated for the exclusive use of the Unit, until the breach of the use restrictions has been remedied.

With the exception of those situations involving a legitimate emergency, posing a danger to the safety of the properties or any portion thereof, or any of the residents thereof, or any guests or invitees therein, the Association's Board of Directors shall not, in the event of a violation or apparent violation of the use restrictions hereinabove set forth in this ARTICLE XI, seek to utilize any of those powers or remedies conferred upon it by subsections (a) through (c) of this Section 20, without first giving written notice of intention to do so to the Owners or occupants (in the event the occupants are different than the Owners) of the applicable Unit. Such written notice shall specify the violation or apparent violation of the use restrictions hereinabove set forth in this ARTICLE XI, and shall notify the said Owners or occupants of the intention of the Association's Board of Directors to resort to one or more of the powers, authorities and remedies conferred upon it by such subsections (a) through (c). Such notice shall further give such Owners or occupants notice of the time and place at which such Owners or occupants may appear before a meeting of the Association's Board of Directors. At such meeting such Owners or occupants, and any other interested persons, shall be permitted to present such evidence and/or arguments, both for and against the violation or apparent violation of the use restrictions hereinabove set forth in this ARTICLE XI, as shall appear to be reasonably relevant to the issue as to whether the apparent violation exists or has occurred. Evidence presented to the Board may be taken under oath, or not under oath, as the Board, in its discretion, sees fit. Parties (including the Owners) appearing before the Board, shall be entitled to have an attorney represent them, should they desire to do so; provided that all costs and expenses incurred in connection with such attorney's representation shall be paid by the party utilizing the attorney's services. Formal rules of evidence shall not apply, but the board shall utilize its best efforts to hear only such evidence, as would appear to be reasonably competent, and as would appear to be reasonably relevant to the issue as to whether the violation or apparent violation of the use restrictions hereinabove set forth has occurred, or is occurring. At the conclusion of the presentation of evidence to the Board, the Owners or occupants of the applicable Unit, and all other interested parties shall be permitted to present such arguments or statements to the Board as they shall deem proper and appropriate. Following the presentation of the evidence, and such statements or arguments, the Board shall adjourn, and shall, in closed session, make a determination as to whether the violation or apparent violation exists, or has occurred, and shall determine the fines to be imposed, or the other remedies to be utilized by the Board in attempting to terminate or remedy the violation or apparent violation. All decisions of the Board, in this regard, shall be by majority vote of those members of the Board who are present and voting. Presence of a majority of the Board of Directors shall constitute a quorum for all purposes under this Section 20. As soon as practicable following the decision by the Board, the Board shall notify the Owners or occupants of the applicable Unit of its decision, in writing and (in the event, the decision is that the breach or violation of the use restrictions has occurred, or is occurring), such writing shall further state the sum of the fine or fines to be imposed, and/or a description of the other remedies or powers to be exercised by the Board in an attempt to eliminate the breach or violation. The occupants or owners of the applicable Unit shall have five (5) days, from the date of delivery of such written notice to the Unit, to remedy or eliminate the

breach or violation. In the event the breach or violation is not remedied during such five (5) day period, then the action of the Board of Directors, commencing on the sixth (6th) day following the delivery of such notice, shall be in full force and effect, and the fines or other remedies described in the written notice from the Board of its decision (or other remedies described in such decision) shall be in full force and affect, and shall be applied or imposed, beginning with the said sixth (6th) day. Where a Unit is occupied by a person or persons other than the Unit Owners, the Board of Directors, where it is reasonably practicable to do so, shall notify both the occupants of the Unit and the Owners thereof of a hearing before the Board of Directors, of the type hereinabove described, and of the Board's decision and intentions, as hereinabove described.

The Developer for each Lot and Unit located within the property, hereby covenants, on behalf of the Developer and the Developer's successors, and each Owner of any Unit 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 the provisions of this Section 20, and to the rights, powers, remedies and authorities imposed within the Association's Board of Directors by this Section 20, and to waive any right to recourse against, or damages from, or claims or complaints against, the Association's Board of Directors, or the Association, or any members of such Board of Directors or such Association, which may arise out of any exercise by the Association or its Board of Directors of the rights, remedies, powers and authorities provided by this Section 20. In addition, should the Association, or its Board of Directors, by reason of a violation of the restrictions set forth in this ARTICLE XI, seek from any Court any temporary restraining order, restraining order, injunction, temporary injunction, preliminary injunction or similar relief, all requirements, of any kind or nature whatsoever, that the Association, or its Board of Directors post an injunction bond, or a bond, or a surety bond, or any type of bond of any kind or nature whatsoever, shall be and the same are hereby waived by each Unit Owner, and by the Developer (on behalf of themselves and on behalf of their successors, and each and all successors in ownership to any Unit or any Lot). The Developer for each Lot and Unit located within the property hereby covenants, on behalf of the Developer and the Developer's successors, and each Owner of any Unit by acceptance of a Deed therefor shall be deemed to covenant and agree, that the Association shall, upon presentation to a Court having appropriate jurisdiction of a petition seeking a temporary restraining order against a violation or threatened violation of the use restrictions hereinabove set forth, be fully entitled to receive such temporary restraining order, ex parte, without the necessity for the posting of any bond, injunction bond, surety bond or other type of bond of any kind or nature whatsoever. The Developer, on behalf of the Developer and the Developer's successors in ownership of any portion of the properties, and each Owner of any Unit by acceptance of a Deed therefor, recognize that strict compliance with the use restrictions hereinabove set forth in this ARTICLE XI is of the utmost importance to the protection of the Properties, and the value thereof, and that a breach or threatened breach of said use restrictions would cause substantial damage to the Properties, and the Unit owners, and the occupants of the properties, and would constitute a substantial threat to proper enjoyment of the Units by the Owners and/or occupants thereof. Strict performance of, and observation of, and compliance with, the use restrictions hereinabove set forth in this ARTICLE XI is, therefore, of the essence.

ARTICLE XII

PROPERTY RIGHTS IN COMMON AREAS

Section 1. Members' Easements of Enjoyment. Every Unit Owner (i.e. "Member") and their guests, renters and invitees and lessees and the lessees of Developer shall have a right of ingress and egress and easement of enjoyment in and to the Common Area and Common Elements and the facilities, improvements and recreational facilities located thereon and such easement shall be appurtenant to and shall pass with the title to every assessed Unit; provided, however, that those areas hereinafter designated as "Limited Common Areas" or "Limited Common Elements" shall be reserved for the use of the applicable Unit or Units, and the owners or occupants thereof, to the exclusion of all other Units and the owners or occupants thereof. Said right of ingress and egress and easement of enjoyment shall exist whether or not the Developer has conveyed title to the Common Area to the Association and shall be subject to the following provisions:

(a) The right of the Association to limit the number of guests of members, using facilities on the Common Areas, and to provide that all or certain portions of the Lots shall be for the exclusive use of the Unit Owners of certain of the Units located on the Lots; provided that such action shall appear to be reasonably necessary to protect the privacy of the Unit Owners in the use and enjoyment of their Units, and that it shall not affect those easements provided by ARTICLE X.

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property;

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a Member for any period during which any assessment against his Unit remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided, however, should the property sought to be transferred be subject to the lien of any mortgage or deed of trust, no such transfer shall be made without first obtaining the written consent of the mortgagee or the beneficial owner of said deed of trust thereto. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast sixty-five percent (65%) of the votes of the Class A membership and sixty-five percent (65%) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than ten (10) days nor

more than forty (40) days in advance, and unless (in the event the portion of the Common Area to be dedicated or transferred is, for any reason, immediately adjacent to and abutting upon the boundary lines of a Unit or contained within a Unit) the Unit Owners of such Unit have agreed to such transfer;

(f) The right of the individual Unit Owners to the exclusive use of parking spaces as provided in this Article;

(g) The right of the Developer and of the Association through its Board of Directors to create, grant and convey easements upon, across and over the Common Areas to public utilities or public bodies or public governments for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, electric lines and a community master television antenna system or cable T. V. system;

(h) The right of the Association to publish rules and conditions to regulate and control the Members' use and enjoyment of the Common Area.

Section 2. Delegation of Use. Any member may delegate his right of enjoyment to the Common Area and facilities to the members of his immediate family or his tenants, or contract purchasers, who reside on the property.

Section 3. Title to Common Areas. The title to the Common Areas, Common Units and Common Elements shall be vested in the Association, whether or not conveyed to the Association; provided, however, that the provisions of this Section 3 shall not be deemed to limit the rights of Owners of Lots, not previously subdivided into Units and Common Area to subsequently divide such Lots into Units and Common Area.

Section 4. Parking Rights. Ownership of each Unit shall entitle the Owner or Owners thereof to the exclusive use (to the complete exclusion of the Owners or occupants of other Units, or the guests or invitees thereof) of any parking spaces assigned to such Unit by the Board of Directors of the Association or the Developer or the Plat. The Board of Directors of the Association or the Developer (so long as Class B voting rights exist) may permanently assign vehicular parking spaces for each Unit. The Association's Board of Directors shall have the right and the duty to establish reasonable rules and regulations concerning use of, and parking upon streets, roads and driveways not dedicated to the public, and to enforce same by fines or towing at the Owner's expense, or such other methods as it shall determine. Such right and duty shall include the promulgating of reasonable traffic regulations. The Unit Owners of each Unit may and their guest, invitee, lessees, tenants and designees of each such Unit Owner, shall have the exclusive right to use all parking spaces located within driveways leading to any garage or parking area serving the Living Unit located within such Unit, even though the driveways or parking areas may be located within the boundary lines of Common Areas. In other words, driveways leading to a garage or parking space serving a Living Unit shall be limited in use to the owners of such Living Unit and their guests, invitees and designees.

Section 5. Units - Requirement for Easement for Irrigation System. All of those portions of Units and of Lots, on the exteriors of the Buildings, but not including any private patios, porches, private decks, private gardens (within privacy fences), private courtyards (within privacy walls or privacy fences) and other private lawn areas (within the boundary lines of any privacy fence, wall or similar structure), are hereby made subject to a perpetual easement within the Association, which shall be appurtenant to and shall run with Common Areas and the real estate subject thereto, and shall constitute a part of the Common Elements. The terms of such easements shall be such that although title to the land subjected thereto, may be held by the Unit Owner or Lot Owner, such land shall for all intents and purposes be Common Area, and shall be treated as such, for all purposes. Notwithstanding the provisions of this Section 5, the Unit Owner or Lot Owner shall pay all taxes and assessments charged on or by reason of all or any part of his Unit or Lot, including the part subjected to the easement provided for by this Section 5, and shall provide such maintenance, repairs and replacements and servicing therefor which he is required to provide in accordance with the provisions of this Declaration. Although areas of Units or Lots contained within the boundary lines thereof are, under this Section 5, to be treated as if same were Common Area, or Common Elements, such area shall be deemed to be "Limited Common Areas" or "Limited Common Elements" and that all areas located within the boundary lines of a Lot shall be reserved for the sole and exclusive use of the Owners of Units located within such Lot, and the occupants of such Units, and the guests and invitees of such Owners and occupants. Every Unit Owner or Lot Owner must provide to the Association a perpetual easement and right to install, locate, maintain, repair and replace an irrigation system, should the Association desire to install such an irrigation system, or should such irrigation system be installed by the Developer. No Unit Owner shall interfere with any irrigation system in any respects whatsoever. No structures, walls or fences shall be erected so as to interfere with such irrigation system or the maintenance thereof.

Section 6. Fire Lanes. The Association shall, with the advice and help of the Columbia, Missouri, Fire and Police Departments established sufficient fire lanes to insure adequate access to all buildings and Units by fire, police and emergency vehicles, and shall, with the help of such departments, establish adequate rules and regulations for maintaining such fire lanes at all times. The Association may enforce such regulations by fines or other enforcement procedures.

Section 7. Acceptance of Common Areas. The Developer, so long as Class B voting rights exist, and the Association's Board of Directors thereafter, shall have the right to establish reasonable standards for the sodding, seeding, landscaping, grading and improvement of Common Areas and Units which Builders propose to convey to the Association or to have maintained by the Association, and same shall not be accepted by the Association for maintenance until such standards, or any reasonable requirements for such sodding, seeding, landscaping, grading and improvements have been satisfied. No Unit contained within a Lot shall be accepted for maintenance by the Association until the Common Area within such Lot has been accepted for maintenance. Units shall be subject to assessments, and Unit Owners shall be members of the Association (although they shall be without voting rights), even though the Common Area contained within the Lot occupied by such Units has not been accepted for maintenance.

Section 8. Irrigation. If the Association is not provided with a separately metered irrigation system, and if any of the Common Areas or lawns located within a Lot require irrigation, then the Association will irrigate said areas from the outside water taps of the individual Unit Owners owning Units within such Lot. Water for all irrigation within a Lot shall be equally furnished by the Owners of all Units situated within the boundary lines of such Lot. Any of the above provisions of this Declaration to the contrary notwithstanding, the provisions of this Section 8 shall be in full force and effect.

Section 9. Limited Common Elements and Exclusive Use. Notwithstanding anything to the contrary contained at any place in this Declaration, all portions of each Lot (including all parking areas and drives located within the boundary lines of each Lot), which are located on the "front" (i.e. the street side) of the Building or Buildings or Living Unit or Living Units located within such Lot, which are not required for, or are not intended to provide access to, or egress from Units located within other Lots or parking areas or driveways located within other Lots, shall be deemed to be "Limited Common Elements" and "Limited Common Areas", and shall be reserved for the sole and exclusive use of Owners, occupants, guests and invitees of those Units located within the Lot, to the complete and total exclusion of all other Units, and the Unit Owners, guests and occupants and invitees thereof. If any areas located within any courtyards, private lawns, or privacy fences serve only a single Unit, and if same are located within the Common Area, then such area shall be deemed to be "Limited Common Areas" and "Limited Common Elements", and shall be reserved for the sole and exclusive use of Owners, occupants, guests and invitees of the Unit served thereby, or accessed therefrom, or from which same are accessed. All walkways, driveways located within the boundary lines of a Unit or leading to or serving only a Living Unit located within the boundaries of a single Unit shall be Limited Common Elements and exclusive use thereof shall be limited to the Unit Owners of such Unit and their tenants, renters, guests, occupants, guests and invitees.

Section 10. Parking. In no event shall any Unit Owner, or the occupant of any Unit, or the guests, occupants or invitees of any Unit, park vehicles on any of the private drives (those serving more than one Unit) making up a part of the Common Areas or Common Elements, other than within designated parking places, and, in no event, shall any vehicles be parked so as to block or obstruct any of such drives. Parking spaces designated by the Plat, or by the Association, or by the Developer, for the exclusive use of the Owners, occupants, guests or invitees of a particular Unit, shall be deemed to be Limited Common Elements or Limited Common Areas, and shall be reserved for the sole and exclusive use of the Owners, occupants, guests and invitees of such Unit, to the complete and total exclusion of all other Units and the Unit Owners, guests, occupants and invitees thereof.

Section 11. Trespass. Usage by, or entrance upon "Limited Common Elements" or "Limited Common Areas", by the Owners, occupants, guests or invitees of Units, other than those to which the usage of such elements or areas are reserved, shall be wholly improper. The "Limited Common Elements" or "Limited Common Areas", shall be reserved to the exclusive use of the Owners, or occupants of the applicable Units, and the guests or invitees of such Owners or the occupants of such Units, the same as though such "Limited Common Elements" or "Limited Common Areas" were owned, exclusively, by the Owners of such applicable Units.

Entry upon, or usage of such Limited Common Areas or Limited Common Elements by the Owners, occupants, guests or invitees of Units, other than those to which the usage of such elements or areas are reserved, shall be a trespass. The Owners and occupants of all Units within the Properties shall be, and they are hereby given notice (including any notice required by the Revised Ordinances of the City of Columbia, Missouri, or the statutes of the State of Missouri), that entry upon, or usage of any "Limited Common Areas" or "Limited Common Elements" designated for the exclusive use or enjoyment of the Owners or occupants of other Units shall be a trespass, including a trespass in the first degree as provided by the applicable laws of the State of Missouri, and the applicable ordinances of the City of Columbia, Missouri. The Owners of all Units, by accepting a deed for any Unit located within the Development or the Properties, agrees that any entry upon Limited Common Areas or Limited Common Elements designated for the exclusive use of other Units shall be unlawful, wrongful and improper, and that same shall be a trespass, and that he, she or they have received actual notice or communication against such trespass, including that actual notice or communication required under any of the ordinances of the City of Columbia, Missouri, and any successor ordinances, and the state statutes of the State of Missouri. Notwithstanding anything to the contrary hereinabove set forth in this Section 11, however, the Association shall have an easement, over, across and upon Limited Common Areas and Limited Common Elements for the purposes of performing the maintenance and repair duties and obligations of the Association, as imposed upon the Association by this Declaration. Further notwithstanding anything to the contrary hereinabove set forth in this Section 11, the provisions of this Section 11 shall not in any respects reduce nor affect the easements granted by ARTICLE X of this Declaration. The Association shall be authorized to promulgate such reasonable rules and regulations, as its Board of Directors, in its sole and absolute discretion, shall, from time to time deem necessary or appropriate for purposes of preventing or discouraging trespasses of the type hereinabove described in this Section 11. In addition to the remedies provided for by the above provisions of this Section 11, the Association shall have the right and the power to protect the rights of Unit Owners to the exclusive use of parking spaces designated for their exclusive use by the towing of vehicles improperly parked within parking spaces designated for the exclusive use of certain Units, at the expense of the Owners of such vehicle, or by such other methods as the Association shall determine appropriate.

Section 12. Diminishment of Easement. No easement granted by this ARTICLE XI, and none of the terms and conditions of this ARTICLE XI, shall be deemed to in any way affect, diminish or reduce the easements granted under ARTICLE X hereof, or any easement granted by the Plat or by any replat of any of the Lots located within the Parcel.

ARTICLE XIII

INSURANCE

Section 1. Insurance Upon Living Units. Each Unit Owner shall be required to maintain in full force and effect, at all times, insurance on such Unit Owner's Living Unit and that Building (or portion of the Building) containing such Living Unit, and all improvements owned by the Unit Owner against loss or damage by fire, lightning, windstorm, hail, explosion,

vandalism or other malicious mischief, and all other hazards which may reasonably be insured against by such Unit Owner under so-called policies of "All Risk" insurance coverage. Such insurance shall be for the reasonably insurable replacement value of the Living Unit (and of that portion of the Building containing the Living Unit) and all other improvements owned by the Unit Owner. It is required that such insurance be maintained in effect by each Unit Owner, and the maintenance of such insurance shall not be discretionary. The Board of Directors or the Association, or the Association's manager or designees, shall have the right to require that each Unit Owner provide at reasonable intervals (but not more frequently than annually) written, documentary proof, that the insurance coverages required by this Section 1 are in full force and effect. If any Unit Owner fails to maintain in effect the fire and casualty insurance required by this Section 1 upon such Unit Owner's Living Unit, then the Association's Board of Directors shall have the right, but not the obligation, at its option (and in its sole, absolute, unlimited and unmitigated discretion) to acquire insurance upon the Unit Owner's Living Unit and the components of the Building containing same, for such amounts and limits, and for such prices and upon such terms and conditions as the Association's Board of Directors or its manager or designee shall find to be appropriate. If the Association or its Board of Directors elects to acquire such insurance, then the Association shall, at its option, be named as an additional insured upon the insurance maintained in effect pursuant to this Section 1. All costs and expenses paid by the Association or its Board of Directors to keep insurance in effect on any Living Unit pursuant to this Section 1 shall constitute a Special Unit Assessment against the Unit of the Unit Owner who has failed to maintain the insurance in effect, which shall be added to and shall constitute a part of the other Assessments to be paid pursuant to ARTICLE VI of this Declaration, and which shall bear interest at the rate of ten percent (10%) per annum (or at such lower rate as shall be the maximum rate permitted by Missouri law at that time, if such ten percent (10%) per annum exceeds the lawful rate of interest) from the date of payment by the Association. Such Special Assessments shall be enforceable in the manner described in ARTICLE VI of this Declaration. It is of the essence of each Unit Owner's duties and obligations to the Association and to each of the other Unit Owners that the insurance requirements of this Section 1 be satisfied. If any Living Unit is a part of a Building which contains two (2) Living Units (i.e., the Living Unit is located on a Lot which contains 2 Units), then the Owner of each of such Living Units shall have the right to enforce the obligations of the Unit Owner of the other of said Units to provide the insurance required by this Section 1 and shall have the right to demand of the other Unit Owner of the other Unit located within such Lot that such Unit Owner produce written, documentary proof that the insurance coverages required by this Section 1 are in full force and effect and if any such coverage is not in effect shall have the right to request that the Association exercise its rights, through its Board of Directors, to require that the insurance coverages provided by this Section 1 be provided; provided, however, that the Board of Directors shall have no obligation to exercise such right, but rather may delegate and assign the Association's rights with respect to requiring and obtaining insurance coverages to the Unit Owner who is in compliance with this Section 1, which such Unit Owner may then enforce in the name of the Association; provided that such Unit Owner shall be entitled to recover from the other Unit Owner such Unit Owner's costs, expenses and attorney's fees incurred in such enforcement. Among other rights, such Unit Owner (if authorized to do so by the Association) may procure the insurance coverage which the Association could otherwise procure, through its Board of Directors, under this Section 1.

Section 2. Insurance Upon Buildings Containing Two Living Units. Since the Living Units contained within Two Family Dwellings (i.e., Buildings containing 2 Living Units) will, to some extent, be connected together, it is recognized that it is in the interests of (and is necessary for the protection of) both Unit Owners that adequate insurance coverages be maintained pursuant to Section 1 by each Unit Owner. Consequently, conformity with the requirements of Section 1 shall be of the essence of the obligations of each Unit Owner.

Section 3. Insurance Premiums. Each owner of each Unit covenants to pay the premiums and costs required to be paid to maintain in full force and effect the insurance coverages required by this ARTICLE XIII.

Section 4. Repair and Restoration. In the event of damage to or destruction of a Building or of an improvement on a Unit due to fire or other disaster or cause, the Owner shall promptly repair, rebuild and restore said improvement to a condition substantially as good as prior to the damage or destruction within a reasonable time from the date that the damage or destruction occurs. In the event an Owner fails or refuses to repair, rebuild and restore such Building or improvements as provided herein, each Owner of any Building or Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any deed of conveyance, hereby irrevocably constitutes and appoints the Association his true lawful attorney in fact, in his name, place and stead:

a. To effect, at the expense of such Owner, any such repairs, rebuilding or restoration, the cost of which shall constitute a Special Unit Assessment against the Unit of such Owner and such Unit Owner, which shall be enforceable in the manner provided for by ARTICLE VI of this Declaration; or

b. To raze (tear down) and remove from the Lot any damaged Unit, Building or Living Unit, at the cost and expense of the Unit Owner, which such cost and expense shall constitute a Special Unit Assessment against the Unit of such Unit Owner and such Unit Owner, which shall be enforceable in the manner provided for by ARTICLE VI of this Declaration; or

c. With full and complete authorization, right and power to collect the proceeds of any insurance policy described in the above provisions of this ARTICLE XIII, in the name of the Association, and to cause the repair, reconstruction and restoration of improvements to occur and to pay for same with said insurance proceeds.

It is expressly acknowledged and agreed by each Unit Owner of each Unit that this ARTICLE XIII is for the mutual benefit of all Owners of Units and is necessary for the protection of all of said Owners.

Section 5. Other Insurance. Nothing herein shall preclude a Unit Owner from obtaining whatever additional insurance he may desire, and it shall be the individual responsibility of each Owner to provide tenant's theft, liability and other insurance covering personal property, damage or loss.

Section 6. Waiver of Subrogation. To the extent permitted by law, a Unit Owner and the Association do hereby mutually release each from the other, and their respective officers, agents, employees and invitees, from all claims for damage or destruction of their respective physical properties, if such damage or destruction results from one or more of the perils covered by fire and extended coverage insurance. This release or waiver shall not apply as between Owners of individual Units.

Section 7. Subordination of Rights. The provisions of ARTICLE XIII shall be subject and subordinate to the rights of any mortgagee or beneficial owner of a deed of trust in and to any insurance proceeds payable by reason of any loss covered by such insurance concerning any building or an improvement situated on any Unit in which said mortgagee or beneficial owner of a deed of trust may hold a security interest. The proceeds of such insurance payable to said mortgagee or beneficial owner of a deed of trust shall be applied by said mortgagee or beneficial owner toward the payment of those costs of restoration or repair of the damaged improvements actually incurred. Any excess proceeds received, or if for any reason such restoration or repair does not take place then the entire proceeds, shall be applied in reduction of the mortgage or deed of trust indebtedness.

ARTICLE XIV

SALE OF COMMON AREA

A sale, mortgaging or other disposition of all or any part of the Common Area shall not be valid unless given prior approval by a three-fourths (3/4) majority vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than ten (10) days nor more than forty (40) days in advance of the meeting setting forth the purpose of the meeting, and unless given prior approval by mortgagees of seventy-five percent (75%) of all Units subject to mortgages or deeds of trust and unless approved by Owners of all immediately adjacent Units and all Owners of Units within any Lot containing or immediately adjacent to any such Common Area. A disposition, so approved, shall be binding upon all Unit Owners.

ARTICLE XV

RIGHTS OF FIRST MORTGAGEES

Notwithstanding anything to the contrary hereinabove set forth in this Declaration, the following terms and conditions shall prevail when the rights of holders of first mortgages or first mortgage deed of trust are considered or involved, to-wit:

Section 1. Notice. The beneficial holder of a first mortgage or first mortgage deed of trust shall, if it files a written request with the Association's Board of Directors to such effect, be given written notice by the Association when the Owner of any Unit upon which such first mortgage holder or the holder of such first mortgage deed of trust holds a mortgage or deed of trust is in default and such default has not been remedied within sixty (60) days. As indicated,

before being entitled to such notice, the first mortgage holder or the holder of such first mortgage deed of trust must have filed with the Association's Board of Directors a written request to be so notified.

Section 2. Examination of Books and Records. The holder of a first mortgage deed of trust, or a first mortgage, shall be entitled to examine the books and records of the manager and Board of Directors of the Association upon reasonable notice to the manager and Board of Directors of the Association of its intent to exercise its right under this Section 2; provided, however, that such examination shall be made only at reasonable times and at reasonable intervals.

Section 3. Taxes in Default. The holder of any first mortgage deed of trust, or first mortgage, upon any building or Unit shall have the right to pay taxes or other charges which are in default and which may become a lien against the Common Elements or Common Area, and may pay overdue premiums on hazard insurance for the Common Elements or Common Area, and any Unit upon which such first mortgage holder or first mortgage deed of trust holder holds a first mortgage, and any mortgagee or first mortgage deed of trust holder making such payment shall be owed immediate reimbursement and restitution for the sum of such premiums or taxes from the Association.

Section 4. Insurance Proceeds. Any insurance proceeds or condemnation awards paid to the Association, over and above the amount necessary to replace, repair or reconstruct the damaged building or Unit or damaged Common Area shall be paid over by the Association to the holders of mortgages or deeds of trust of record covering any of the buildings, Units or Property, if any, solely as their respective interests may appear.

Section 5. Transfer of Common Area. The Association shall not encumber, hypothecate, pledge, transfer, sell or otherwise subject the Common Area or Common Elements to liens or charges or transfer or disposition without the prior written approval of seventy-five percent (75%) of the holders of first mortgage deeds of trust or first mortgages upon the Units.

Section 6. Other Changes. Neither the Association nor the Board of Directors shall make any change in the method of determining assessments, the architectural control provision, or the insurance requirements set forth in this Declaration without the prior written approval of the holders of seventy-five percent (75%) of the first mortgages or first mortgage deeds of trust upon the Units.

Section 7. Right of First Refusal. Any holder of a first mortgage deed of trust, or first mortgage, which comes into possession of a Unit pursuant to the remedies provided in the mortgage or deed of trust, by foreclosure, or by deed in lieu of foreclosure, shall be exempt from any "right of first refusal."

Section 8. Claims for Unpaid Assessments. Any first mortgagee or holder of a first mortgage deed of trust, which comes into possession of a building or Unit pursuant to the remedies provided in the mortgage or deed of trust, or by foreclosure of such mortgage or deed

of trust, or by deed in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the building or Unit which accrued prior to the time such mortgagee or deed of trust holder came into possession of such building or Unit.

Section 9. Approval of First Mortgagees. Without the written approval of seventy-five percent (75%) of the first mortgagees, or holders of first mortgage deeds of trust upon the buildings and Units (based upon one vote for each such mortgage or deed of trust upon each Unit), the Association shall not be entitled to:

(a) By act or omissions seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by the Association; provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Property shall not be deemed a transfer within the meaning of this clause;

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against each Unit and the Owners thereof;

(c) By act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the improvements located upon the Units, the exterior maintenance of the Units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the property;

(d) Fail to maintain fire and extended coverage insurance on any insurable permanent structures or improvements erected on the common area in an amount not less than one hundred percent (100%) of the current replacement costs;

(e) Apply the proceeds from such fire and hazard insurance for other than repair, replacement or reconstruction of improvements and structures.

Section 10. Adequate Reserve. The Association shall establish an adequate reserve funded by regular monthly assessments, rather than by special assessments or charges, for the replacement of any permanent improvement or structure which the Association is required to replace under the terms of this Declaration. The amount of the contributions to the reserve fund shall be determined by the Board of Directors of the Association, based upon the projected useful life of such improvements requiring replacement, and the estimated replacement costs. However, the Association shall be required to establish such reserve only to fund the replacement of items which the Association is required to replace by the terms and conditions of this Declaration.

ARTICLE XVI

ANNEXATION

The Developer may bring additional parcels of real estate under the jurisdiction of the Association and may make same a part of the Development without the consent of any Lot Owner or any Unit Owner or any Lot Owners or Unit Owners, or any members of the Association, or anyone else; provided, however, that the following terms and conditions shall be satisfied;

A. Any such additional Parcel made subject to the jurisdiction of the Association must be contained within the Annexation Real Estate hereinabove described in this Declaration.

B. Any additional Parcel brought under the jurisdiction of the Association and made a part of the Development shall be so brought under the jurisdiction of the Association and shall be so made a part of the Development, either by a recorded Supplementary Declaration, or by an Annexation Declaration, or by a recital to such effect on the Plat of the Parcel. The Parcel shall, by such Supplementary Declaration, such Annexation Declaration, or such recital on the Plat, be deemed to have been made subject to the assessments by the Association, and to this Declaration, and to all of the terms, covenants, conditions, restrictions, liens, charges and assessments provided for by this Declaration, and all terms, provisions and conditions contained in this Declaration, including any future modification thereof. The Owners of all Lots and Units contained within such additional Parcels shall be Lot Owners and Unit Owners, and all such Unit Owners shall be Class A members of the Association, if they meet the terms and conditions hereinabove set forth for such Class A memberships, and shall be entitled to all rights and privileges of Class A membership. Such additional Parcel shall be deemed to be a part of the Development for all purposes. All Owners of Units contained within such additional Parcels shall automatically be members of the Association, and shall be subject to assessment by the Association. All portions of any Parcels annexed to the Development shall be subject to all terms, covenants, conditions, reservations, easements, restrictions, assessments, liens and charges established by this declaration and to all duties established by this declaration.

C. The provisions of this Declaration and of this Article XVI to the contrary notwithstanding, the provisions of this Declaration shall not apply to any portion of the Annexation Real Estate, until such portion is annexed to the Development in accordance with the provisions of this Article XVI. The Developer shall have no duty or obligation, either expressed or implied, to annex any portions of the Annexation Real Estate to the Development.

D. The provisions of this declaration shall have no application whatsoever to the Annexation Real Estate until portions thereof are annexed to the Development.

E. The Developer may develop the Annexation Real Estate in any manner the Developer deems appropriate, either as a part of the Development provided for hereby or otherwise.

ARTICLE XVII

GENERAL PROVISIONS

Section 1. Enforcement. The Developer, the Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, any covenants, restrictions or charges now or hereafter imposed by the provisions of this Declaration. Failure by the Developer, the Association or by an Unit Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions, restrictions, easements, charges and liens of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Units subject to this Declaration, or the Developer, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by not less than sixty percent (60%) of the Class A Members has been recorded, which instrument provides for amending or terminating this Declaration, in whole or in part. During the first twenty (20) year period of this Declaration, it may be amended in whole or in part only by an instrument signed by not less than seventy-five percent (75%) of the Class A Members and one hundred percent (100%) of the Class B Members, if any, and thereafter it may be amended in whole or in part only by an instrument signed by not less than seventy-five percent (75%) of the Members of the Association. All amendments to this Declaration shall be recorded in Boone County, Missouri.

Section 4. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been property sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 5. Language Variation. The use of pronouns or of singular or plural as used herein shall be deemed to be changed as necessary to conform to actual facts.

Section 6. Titles and Captions. The titles or captions of the various provisions of this Declaration are not part of the covenants hereof, but are merely labels to assist in locating paragraphs and provisions herein.

Section 7. Approval of Plats. All plats of Lots which divide same into Units and Common Area must, prior to recording, be approved by the Developer so long as Class B voting rights exist, and thereafter by the Association's Board of Directors.

Section 8. Providing Separate Water System. If the Developer so requires, then each Builder constructing a Building located within a Lot of the Development shall provide for the lawns located within such Lot, including those located within the Common Areas and the Units (on the outside of any private lawns, courtyards or privacy areas), a separately metered watering system or irrigation system, to be utilized by the Association for purposes of performing its irrigation duties hereunder.

Section 9. Requirement for Plats. All Lots must be platted in accordance with plats approved by the Developer, so long as Class B voting rights exist, and thereafter by the Association's Board of Directors, so as to subdivide each Lot into one (1) or more Units and Common Area. The front portion of each Lot (i.e. the portion of the Lot in front of the Building), shall be substantially made up of Common Area, and shall contain substantial amounts of Common Area.

Section 10. Attorney's Fees. If any party shall seek to enforce against any other party any of the provisions of this declaration, by legal or equitable proceedings, then the prevailing party in such proceedings shall receive from the other party to such proceedings, in addition to such other rights and remedies to which such prevailing party shall otherwise be entitled, such prevailing party's reasonable cost, expenses and attorney's fees incurred in connection with such proceedings, and in the preparation for such proceedings, and shall be entitled to judgment for such attorney's fees, costs and expenses, in addition to judgment for such other rights and remedies to which such prevailing party would otherwise be entitled.

ARTICLE XVIII

PERIMETER FENCE OR WALL

The Developer may install a perimeter fence or wall (a wooden fence/wall) which surrounds all or a part of the Development. If the Developer does install such a perimeter fence or wall ("the Development Perimeter Fence") then a perpetual, irrevocable easement for the continued location, maintenance, repair, replacement, servicing and upkeep of same (where same is located) shall be and it is hereby declared and established, and is hereby imposed upon each portion of any of the Lots or Units containing such Development Perimeter Fence. The terms and conditions of such easement shall be that such Development Perimeter Fence, and any replacement therefor, may be perpetually located at the location where placed by the Developer. The Lot Owner or Unit Owner of any Lot containing any portion of such Fence shall not paint, alter, remove or in any manner or respects modify or interfere with the Development Perimeter Fence, or change its location or appearance. The Association shall have the duty and obligation to maintain, repair, paint, stain, and replace the Development Perimeter Fence so as to, at all times, keep same in good repair and condition and in a condition of reasonable appearance. The Association and its contractors and designees and their respective employees, shall have an easement over each of the Lots and Units for purposes of entering upon same in order to maintain, repair, replace, paint or stain the Development Perimeter Fence at reasonable times. The Development Perimeter Fence, if and when it is installed, shall be a "Common Element" of the Highland Springs Development only, and the Association identified herein (Highland

Springs Homes Association) shall have the sole responsibility for the maintenance, repair, replacement, servicing and upkeep of such Development Perimeter Fence as a Common Element of the Development and of the Association.

ARTICLE XIX

DRAINAGE EASEMENTS/AND DRAINAGE

There may be references to "Drainage Easements" on a Plat. Such Drainage Easements, if shown by such Plat, are hereby declared and established in favor of the City of Columbia, Missouri, as public easements. However, it is intended that the land shown is subject to such Drainage Easements, if not utilized by the City of Columbia, shall nevertheless be subject to the following easements and restrictions and requirements:

A. The land shall be used for reasonable surface water drainage and passage of surface water and storm water;

B. If any creek, swale, depression, conduit, ditch or other normal drainageway now exists within the boundaries of such easements or hereafter exist within the boundaries of any such easement then same shall not be blocked, altered or interfered with without the prior approval of the Architectural Control Committee;

C. Normal drainage of surface water and storm water over the land subjected to such easement shall not be blocked, altered, redirected, channeled, impounded or interfered with;

D. The Developer (or the Architectural Control Committee) may require, in its discretion, that Plans and Specifications to be submitted under Article VII show and demonstrate the provisions which will be made in order to provide for adequate drainage of storm water and surface water over, across and within any Drainage Easement (including surface water and storm water passing from other lots and real estate);

E. Lot Owners and Unit Owners and the Association and its Board of Directors shall be required to diligently cooperate with each other, using the utmost good faith and due diligence, in order to make reasonable accommodations for drainage of surface water over the land within Drainage Easements and in order to reasonably share drainage needs;

F. Where it is reasonable and appropriate, a Lot Owner or Unit Owner of a Lot or Unit (or the Association in the case of any Common Area) imposed within a Drainage Easement must make reasonable accommodations for the drainage of water and may (if it is reasonable to do so) install or improve ditches, drainageways, drainways or underground drainage structures (subject, however, to the overriding right in the City of Columbia to utilize the land subject to Drainage Easements as Drainage Easements in such manner as it finds to be appropriate for the drainage of water);

G. If there is a dispute between and among Lot Owners or Unit Owners over the utilization of a drainway or Drainage Easement or land subject to a Drainage Easement, then such dispute shall be resolved by the Architectural Control Committee and all determinations made by the Architectural Control Committee shall be binding upon all parties, providing only that such determinations are made reasonably and in good faith.

It shall be the responsibility of each Builder who builds a Building on any of the Lots to take all steps which are reasonably required in order to provide for reasonable drainage (in a reasonable, good and workmanlike manner, in a manner which conforms with good standards of workmanship, building practices and engineering practices) for ground water/surface water (both existing flows and reasonably anticipatable future flows), so that:

A. The Building itself is reasonably protected from drainage of surface water/ground water;

B. Reasonable accommodation is made for reasonably anticipatable flow of ground water/surface water across the Lot which is presently occurring and that which will be expected to occur in the future;

C. The Common Area is reasonably and appropriately drained;

D. The Building is set at such level as will not interfere with drainage from adjacent land or areas;

E. Reasonable accommodations for ground water/surface water are made;

F. Unreasonable quantities of surface water will not be discharged from the Lot, over adjacent Lots or properties, except within drainageways or drainage easements provided therefor.

The responsibility to provide for adequate drainage of the Common Area and Common Unit within each Lot and for each Unit and Living Unit within each Lot, shall be that of the Builder who builds the Building on the Lot. The Association shall not assume the obligations for nor be responsible for provided for drainage of Common Areas or Common Units, as such drainage must be accomplished by and accommodated for by the Builder. Under no circumstances shall the Association assume responsibility for relieving or alleviating drainage problems unless its Board of Directors in its sole, absolute, unlimited and unmitigated discretion elects to do so, as the dealing with drainage and drainage problems shall be the primary responsibility of each Builder and of the Unit Owner of each Unit.

IN WITNESS WHEREOF, HIGHLAND PROPERTIES CO., a partnership, has caused this document to be executed in its name and on its behalf by its Managing Partners, all done on the day and year first above written.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

HIGHLAND PROPERTIES CO.

By: _____
William F. James, Jr.

By: _____
Dennis R. Harper

By: _____
E. Stanley Kroenke,

its managing partners

STATE OF MISSOURI)
) ss.
COUNTY OF BOONE)

On this 3rd day of November, 1995, before me, the undersigned, a notary public in and for the State of Missouri and County of Boone personally appeared William F. James, Jr., Dennis R. Harper and E. Stanley Kroenke, to me personally known, who being by me first duly sworn, did state and acknowledge that Highland Properties Co. is a Missouri partnership; that such partnership is now in full force and effect; that they are now, and have at all times since the formation of such partnership been, the managing partners of such partnership; that as such they are duly authorized to execute the foregoing document in the name of and on behalf of said partnership; and that they had executed the foregoing document in their capacities as managing partners, in the name of and on behalf of said partnership; and that the foregoing document constitutes the free act and deed of said partnership.

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

_____
Notary Public Kathleen Burkett

My Commission expires: 3-9-1999.

Attachments:
Exhibit A - Articles of Incorporation
Exhibit B - Bylaws

ARTICLES OF INCORPORATION
HIGHLAND SPRINGS HOMES ASSOCIATION
A GENERAL NOT-FOR-PROFIT CORPORATION

HONORABLE REBECCA COOK
SECRETARY OF STATE
STATE OF MISSOURI
JEFFERSON CITY, MISSOURI 65101

We, the undersigned,

Name	Street	City	State
Robert L. Walters	2704 Vail Drive	Columbia	Missouri 65203
Barrett Glascock	307 Salinda Drive	Ashland	Missouri 65010
William F. James, Jr.	3304 Westcreek Circle	Columbia	Missouri 65203

being natural persons of the age of eighteen (18) years or more and citizens of the United States, for the purpose of forming a corporation under the "General Not-For-Profit Corporation Law" of the State of Missouri, do hereby adopt the following Articles of Incorporation:

1. Corporate Name. The name of the Corporation is: HIGHLAND SPRINGS HOMES ASSOCIATION.

2. Mutual Benefit Corporation. The Corporation is a mutual benefit corporation.

3. Registered Office and Registered Agent. The address of its initial Registered Office in the State of Missouri is: c/o Highlands Properties Co., 405 Sudbury, Columbia, Missouri 65203, and the name of its initial Registered Agent at said address is: Robert L. Walters.

4. First Board of Directors. The first Board of Directors shall be five (5) in number, which shall serve until the first annual meeting of the Corporation, their names and addresses being as follows:

"EXHIBIT A"

Name	Street	City	State
Robert L. Walters	2704 Vail Drive	Columbia	Missouri 65203
Barrett Glascock	307 Salinda Drive	Ashland	Missouri 65010
William F. James, Jr.	3304 Westcreek Circle	Columbia	Missouri 65203
Nancy J. James	3304 Westcreek Circle	Columbia	Missouri 65203
Dennis R. Harper	2209 Yuma Drive	Columbia	Missouri 65203.

5. Members of Corporation. The Corporation will have members, as more fully defined and described in that portion of that document titled "The Highlands Plat 12-A Annexation Declaration and Declaration of Covenants, Easements and Restrictions of 'Highlands Springs,' a Development Within The Highlands in Columbia, Boone County, Missouri," which has been recorded in Book ____ at Page ____ of the Real Estate Records of Boone County, Missouri, appears beginning on page 12 of such document and which is titled "Sub-Declaration for Highland Springs Development Only"; the said "Sub-Declaration for Highland Springs Development Only," being incorporated herein by reference, verbatim, the same as though fully set forth herein, and being hereinafter referred to as the "Highland Springs Declaration." As more fully defined and described in the Highland Springs Declaration, the Corporation shall have two (2) classes of members, Class A Members and Class B Members, as follows:

A. Class A Member. Each Unit Owner of a Unit located within the Highlands Springs Development which is owned by a person other than the Developer or a Builder and its assignees, shall be a Class A Member of the Corporation; provided that if the Developer holds a Unit for rental or lease purposes, it shall be a Class A Member with respect to such Unit held for rental or lease purposes. If a Unit is rented or leased by the Developer, or any assignee of

the Developer's rights, or any Class B Member, then, immediately upon the renting or leasing of such Unit, the Unit Owner of such Unit (regardless of whether same is the Developer or any assignee of the Developer or the holder of any other Class B Membership rights or a Builder) shall become a Class A Member of the Corporation with respect to such Unit and shall, with respect to such Unit, be subject to assessment as a Class A Member, as provided for by the Highlands Springs Declaration. The qualifications of Class A membership are more fully set forth and described in ARTICLE III of the Highland Springs Declaration.

B. Class B Member. The Class B Member of the Corporation shall mean Highland Properties Co., a partnership of the State of Missouri ("the Developer"), which is the Developer which executed and recorded the Highland Springs Declaration, or any person to whom it shall have assigned all or any portions of its rights as the Developer under the terms of the Highlands Springs Declaration, all as more fully described in the Highland Springs Declaration.

The characteristics, qualifications, rights, limitations and obligations attaching to each of such class of members shall be those more fully described in the Highland Springs Declaration, which provides, generally, as follows:

Class A Members shall have one (1) vote at all meetings of the Corporation for each Unit in which they hold the interest required for Class A Membership as described in ARTICLE II of the Highland Springs Declaration. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. The Class B Members (at the outset the only Class B Member shall be the Developer) shall, initially, in the aggregate, be entitled

to ninety-five (95) Class B votes, which such number of votes shall be increased and decreased in the manner described in the Highland Springs Declaration. Until Class B voting rights end, in the manner described in ARTICLE II of the Declaration, the Board of Directors of the Corporation shall consist of five (5) directors. The members of the first Board of Directors, as named herein, shall serve until the first annual meeting of the members of the Association and, thereafter, until their successors are duly elected and qualified. Until Class B voting rights end all five (5) directors shall be elected annually at each annual meeting of the members. So long as Class B voting rights are in existence, the Board of Directors shall consist of five (5) persons, three (3) of whom shall be natural persons (who need not be Unit Owners) elected by the Class B Members, and two (2) of whom shall be natural persons holding ownership interests in Units (other than the Developer and those to which it has assigned all or any portion of its rights as the Developer) elected by the Class A Members of the Association. After all Class B voting rights have ceased to exist, the Board of Directors shall consist of three (3), five (5), or seven (7) natural persons, as determined annually by the Board of Directors of the Corporation, who shall be holders of ownership interests in Units elected by the Members of the Corporation. The Directors shall otherwise be elected in that manner, and for those terms specified in the By-Laws of the Corporation as same are from time to time in existence, except as hereinabove provided in this Section 5 to the contrary.

6. Purposes of Corporation. The purpose or purposes for which the Corporation is organized are:

A. To act as a Homeowners Association for Unit Owners and Homeowners of a Development located in Columbia, Missouri, to be commonly known as "Highland

Springs", which will initially occupy that real estate platted as "THE HIGHLANDS PLAT 12-A", in Columbia, Boone County, Missouri, as shown by the Final Plat of "THE HIGHLANDS PLAT 12-A, recorded in Plat Book 29 at Page 6 of the Real Estate Records of Boone County, Missouri, and which may, or may not, in the future, contain additional real estate located within Annexation Property described in the Declaration hereinafter described.

B. To have those purposes, and to discharge those functions, provided for the "Association", by the Highland Springs Declaration hereinabove described, which was executed by Highland Properties Co. ("the Developer") (the Highland Springs Declaration may also hereinafter be referred to as "the Declaration"); and

C. To serve as the Association named in the Declaration;

D. To serve as the Association for the Unit Owners and Lot Owners in the Development known as Highland Springs described in the Declaration.

E. To fulfill all duties and obligations to the Owners of Units located within the Development, which are imposed upon the Corporation formed hereby (sometimes herein referred to as "the Association") by the Declaration;

F. To act as a Homeowners Association for all Unit Owners located within the Development;

G. To levy, assess, collect, use and force payment of, administer, appropriate and expend assessments against the Members of the Association (the Unit Owners) as described in the Declaration; and to raise, deposit, appropriate and expend the Maintenance Fund as described in the Declaration;

H. To enforce those covenants, restrictions and requirements as to use and occupancy provided for by the Declaration;

I. To provide for all maintenance, services, repairs, upkeep and operations and other services and obligations imposed upon the Association pursuant to the Declaration;

J. To establish rules and regulations for the government and administration of the Association, and the Development;

K. In no event to carry on or conduct an active business for profit, or to in any manner engage in lobbying or political activities of any kind or nature whatsoever, and in no event to support political activities or political candidates of any kind or nature whatsoever;

L. To have all of the common law and statutory powers of a Missouri corporation which is not for profit, and which are not in conflict with the terms of these Articles of Incorporation or the Declaration;

M. To have all of the powers, duties, authorities, discretions and immunities imposed upon the Association or within the Association by the Declaration and to have all of the powers and duties generally provided for by Chapter 355 RSMo.;

N. To hold all funds resulting from the collection of assessments from the Unit Owners of Units located within the Development, and all funds collected by way of assessments paid by the members of this Corporation, and to hold such funds, in trust, for the benefit of the Owners of Units located within the Development, and to use such funds in accordance with the Declaration.

O. To levy, assess, collect, use and administer assessments against its members for use by the Corporation in discharging its duties as hereinabove described.

P. To provide facilities for the social and cultural pursuits of the residents of the Development.

Q. To encourage and provide facilities for the athletic, recreational, social and cultural pursuits of residents of the Development.

R. To carry on any and all pursuits and activities consistent with the purposes of the Corporation as hereinabove described.

S. To own, manage, operate and maintain the Common Areas and Common Elements of the Development.

6. By-Laws. The initial By-Laws of the Corporation shall be those By-Laws attached to the Declaration as Exhibit B to the Declaration. The provisions of the By-Laws which also appear in the Declaration (the Highland Springs Declaration) may be amended only in that manner provided for by such Declaration for the Amendment of such Declaration. The remaining provisions of such By-Laws may be amended by an affirmative vote of a majority of the members of each class present at any meeting of the members of the Corporation of which a quorum is present, and which is duly called for such purposes. Amendments may be proposed by the Corporation's Board of Directors or by a petition signed by members representing at least twenty percent (20%) of the voting members of a single class of members. A description of any proposed amendment of the By-Laws shall accompany the notice of any regular or special meeting at which a proposed amendment is to be voted on.

7. The Highland Springs Declaration. The Highland Springs Declaration, as hereinabove identified (which is sometimes referred to herein as "the Declaration" or "the Highland Springs Declaration") is incorporated herein by reference the same as though fully set out herein. Unless

it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration

8. Mutual Benefit Corporation. The Corporation is a Mutual Benefit Corporation, formed for the mutual benefit of the Unit Owners of that Development ("the Development"), known or to be commonly known as "Highland Springs," as hereinabove identified in these Articles.

9. Restrictions on Activity. Except to the extent that legislation has a direct, material effect on the Development or any substantial part of the Development, no part of the activities of the Corporation shall consist of attempting to influence legislation; provided, however, that the Corporation shall be permitted to attempt to influence legislation which has a direct, material effect on the Development or any substantial portion thereof or upon the value of any portion of the Property constituting the Development. No part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as specified in this Section 9), and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

10. Dissolution. If the Corporation shall be voluntarily or involuntarily dissolved pursuant to the laws of the State of Missouri, the assets of the Corporation in the process of dissolution shall be applied and distributed as follows:

A. All liabilities and obligations of the Corporation shall be paid, satisfied and discharged, or adequate provisions shall be made therefor;

B. Assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

C. Assets held with a charitable, religious, eleemosynary, benevolent, educational or similar use, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, trusts, societies or other organizations engaged in a charitable, religious, eleemosynary, benevolent, educational or similar activity pursuant to a plan of distribution adopted as provided by the laws of the State of Missouri dealing with not-for-profit corporations;

D. Any remaining assets shall be distributed, in equal shares, to the Owners of the Units located within the Development; provided, however, that the Attorney General of the State of Missouri shall be notified of the intention to so distribute such assets, in writing, at least thirty (30) days prior to such distribution.

11. Management of Affairs of Corporation. Except to the extent otherwise specifically provided to the contrary by these Articles of Incorporation, the Declaration, or the By-Laws of the Corporation, the management and administration of the Corporation and its business and affairs, shall be vested in the Corporation's Board of Directors.

12. Perpetual Duration. The period of duration of the Corporation is: perpetual.

IN WITNESS WHEREOF, we have hereunto affixed our signatures on this 3rd day of November, 1995.

Robert L. Walters

Barrett Glascock

William F. James, Jr.

STATE OF MISSOURI)
)ss.
COUNTY OF BOONE)

I, Kathleen M. Burkett, a Notary Public, do hereby certify that on the 3rd day of November, 1995, personally appeared before me ROBERT L. WALTERS, BARRETT GLASCOCK and WILLIAM F. JAMES, JR., to me personally known, who being first duly sworn by me severally acknowledged that they signed as their free act and deed the foregoing document in the respective capacities therein set forth and declared that the statements contained therein are true, to their best knowledge and belief.

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

Kathleen M. Burkett

Kathleen M. Burkett, Notary Public

My commission expires:
March 9, 1999

BY-LAWS

OF

HIGHLAND SPRINGS HOMES ASSOCIATION
A Not-for-Profit Corporation of the State of Missouri

ARTICLE I

Name and Location

The name of the corporation (which may be hereinafter referred to as "the Association," and which is referred to in the Declaration as the "Association") shall be HIGHLAND SPRINGS HOMES ASSOCIATION, hereinafter referred to as "the Association". The principal office of the Association shall be located in Boone County, Missouri, at such location as the Association's Board of Directors shall from time to time designate.

ARTICLE II

Definitions

The following terms shall have the following meanings when used in these By-Laws:

Section 1. General Definitions. "Declaration" shall mean that portion of the document titled "The Highlands Plat 12-A Annexation Declaration and Declaration of Covenants, Easements and Restrictions of "Highland Springs," a Development Within the Highlands in Columbia, Boone County, Missouri", executed by Highland Properties Co., as "the Developer", dated the _____ day of _____, 1995 and recorded in Book _____ at Page _____ of the Real Estate Records of Boone County, Missouri, which is titled "Sub-Declaration for Highland Springs Development Only," and which commences at page 12 of such document (the said Sub-Declaration being referred to herein as "the Declaration"). The corporation for which this document shall serve as the Bylaws, is referred to in such Declaration as a "Sub-Association" of that Development known as the Highlands, and is referred to herein as "the Association", and is also referred to in such Subdeclaration as "the Association". "Board", means the Board of Directors of the Association described in the Declaration, and the Board of Directors of the Corporation, for which these

"EXHIBIT B"

Bylaws are adopted. The terms "Board," and "Board of Directors," as used in these Bylaws, shall be synonymous, meaning one and the same Board, such Board being the Board of Directors of the Association (the Corporation formed hereby).

Section 2. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership in the Association

There shall be two (2) classes of membership in the Association, Class A and B. The qualifications for membership, and the requirements of membership, and the identities of Class A members and Class B members shall be as specified in the Declaration, and as generally described in the Articles of Incorporation of the Association. Class B memberships shall exist for the period of time specified in Article 2 of the Declaration. Upon the termination of Class B voting rights, Class B members shall continue as Class A members as to each Unit in which they hold an interest required for Class A membership under the terms of Article 2 of the Declaration. Class B members shall also be Class A members as to all Units with respect to which they own the interest required for Class A membership. Class A and Class B members of the Association shall have those rights, duties, authorities and responsibilities, and those voting rights, specifically described in the Declaration.

ARTICLE IV

Voting Rights

The Association shall have two (2) classes of voting membership, Class A and Class B. The qualifications for Class A Membership and Class B Membership, and the identities of the Class A and Class B members, and the nature and extent of the voting rights of Class A and Class B members shall be as specified in the Declaration.

ARTICLE V

Membership Meetings

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association, or at such location in Boone County, Missouri as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members of the Association shall be held within Three Hundred Sixty Five (365) days following the conveyance by the Developer of the first Unit located within the Development to a person other than the Developer. The annual meetings of the members of the Association shall, thereafter, be held within One Hundred Eighty (180) days following the close of each calendar year, at such time and place as the Board of Directors shall determine. All such meetings shall be held at such time and place as the Board of Directors shall determine.

Section 3. Special Meetings. Special meetings of the membership may be called at any time for the purpose of considering matters which, by the terms of the Declaration, or by the terms of the Association's Articles of Incorporation, or by the terms of these By-Laws, require the approval of some or all of the members, or for any other reasonable purpose. Said meeting shall be called by a written notice, authorized by a majority of the Board of Directors, or upon a petition signed by twenty percent (20%) of the Class A or all of the Class B Members (if there are Class B Members) of the Association having been presented to the Association's Secretary. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the

notice unless by consent of four-fifths (4/5) of the members of each class present, either in person or by proxy.

Section 4. Notice of Meetings. Except when otherwise provided by the Declaration and except when notice is waived as hereinafter provided, written or printed notice of any annual or special meeting of the members shall be sent by the Secretary of the Association to all members by mailing the same, postage prepaid, at least ten (10) days and not more than forty (40) days prior to the meeting, addressed to the members at their respective addresses as recorded upon the membership books of the Association. Notice may also be accomplished by service of same upon the member at his Unit or last known address. Notice by either such method shall be considered as notice served. Any notice shall state the place, day and hour of the meeting and the purpose or purposes for which it is called. No notice of any annual or special meeting of the members is required if all members file with the records of the meeting written waivers of such notice. In the absence or disability of the Secretary, notice as provided for in this Section may be sent out by any such officer as may be designated by the Board of Directors.

Section 5. Waiver of Notice. Any member may waive notice of any membership meeting, either in writing or by telegram, signed by the member whether such member attends the meeting or not. The presence of a member at any membership meeting shall be deemed to constitute a waiver by the member of notice to the meeting unless such member attends for the express purpose of objecting to the transaction of business at the meeting.

Section 6. Quorum and Voting. The presence of twenty percent (20%) of the members of the Association of each class, either in person or by proxy, shall constitute a quorum for the transacting of business at all meetings of the members, unless a greater quorum is required for the transaction of the particular business by the Declaration. Unless otherwise specified by these Bylaws or the Declaration, or by the Association's Articles of Incorporation, or by law, decisions at membership meetings shall be by the majority vote of the members present of each class. If a quorum is not present, a majority of the members of each class present may adjourn the meeting to another date and time of not less than forty-eight (48) hours from the time the original meeting was called, unless otherwise required by the Declaration, at which time the quorum

requirement shall be reduced by one-half (1/2). No notice of such date and time shall be required.

Section 7. Proxies. A member may appoint any other member or the Developer or the manager or managing agent of the Association, if any, as his proxy. In no case may any member, (except the Developer or the manager or managing agent, if any) cast more than one (1) vote by proxy. Any proxy must be filed with the Secretary of the Association before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary of the Association or by the death of the member.

Section 8. Meetings, Convened, How. Every meeting of the members, for whatever purpose, shall be convened and chaired by the Association's President, if he be present, otherwise by the Vice President, or in his absence or refusal to act by persons selected by the Board of Directors.

Section 9. Order of Business. The order of business at all annual meetings of the members shall be as follows:

(a) Roll call and certification of proxies.
(b) Proof of notice of meeting or waiver of notice.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers, if any.
(e) Reports of committees, if any.
(f) Election of inspectors in election.
(g) Election of directors.
(h) Unfinished business.
(i) New business.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meetings.

ARTICLE VI

Directors

Section 1. Number and Classification. The first Board of Directors of the Association shall consist of five (5) directors, being those persons named in the Articles of Incorporation of the Association. So long as Class B voting rights exist, the Board of Directors shall consist of five (5) Directors, who shall be natural persons and who shall be elected annually at each annual meeting of the members. Beginning as of the first annual meeting of the Association, and thereafter, so long as Class B voting rights exist, three (3) of the five (5) Directors shall be natural persons (who need not own any ownership interest in any Unit), elected by the Class B members of the Association, and two (2) of such Directors shall be natural persons, who must own ownership interests in Units, and who are elected by the Class A members of the Association. During such time as there are Class B voting rights in existence, three (3) of the five (5) Directors shall be elected by the Class B members (and they need not be unit owners) and two (2) of the Directors shall be unit owners (or persons holding interests in units) elected by the Class A members. After all Class B voting rights have ceased to exist, the Board of Directors shall consist of three (3), five (5) or seven (7) natural persons, as initially determined by that Board of Directors of the Association which is in existence immediately prior to the annual meeting of the Association's Board of Directors held following the termination of Class B voting rights, and, as thereafter determined, annually, by that Board of Directors which exists before the annual meeting. At the first annual meeting of the members of the Association which is held after termination of Class B voting rights, all Directors (three, five or seven, as so determined) shall be elected. All Directors elected after Class B voting rights have terminated must be natural persons who are Unit Owners or who hold ownership interests in Units. At the first annual meeting of the members of the Association, which is held after the termination of Class B voting rights, Directors shall be elected for the following terms:

A. If There Are Three (3) Directors. If three (3) Directors are to be elected, the term of office of the Director receiving the greatest number of votes shall be fixed at three (3) years; and the term of office of the Director receiving the second greatest number of votes

shall be fixed at two (2) years, and the term of office of the remaining Director shall be fixed at one (1) year.

B. Five (5) Directors. If five (5) Directors are to be elected, the term of office of the two (2) Directors receiving the greatest number of votes shall be fixed at three (3) years; and the term of office of the two (2) Directors receiving the second greatest number of votes shall be fixed at two (2) years; and the term of office of the remaining Director shall be fixed at one (1) year.

C. Seven (7) Directors. If seven (7) Directors are to be elected, the term of office of the three (3) Directors receiving the greatest number of votes shall be fixed at three (3) years; and the term of office of the two (2) Directors receiving the second greatest number of votes shall be fixed at two (2) years; and the term of office of the remaining two (2) Directors shall be fixed at one year.

Thereafter, at the expiration of each term of office of each respective Director, such Director's successor shall be elected to serve a term of three (3) years. Directors shall, in all events, hold office until their successors have been duly elected and have held their first annual meeting, and until such occurrence, shall possess all of the powers, authorities, duties, discretions and immunities of Directors, which is to say that a sitting Board of Directors shall serve until a new Board has been duly elected and has held its first meeting. There shall be no cumulative voting on Directors. In the event of a tie vote, the election to the office of Director shall be determined by lot or as the then-serving president of the Association shall otherwise determine, in the exercise of his or her reasonable discretion. If there is a tie vote, then the terms of offices of the Directors shall be determined by lot or as the then-serving president of the Association, in his or her sole and absolute discretion, shall determine appropriate. There shall be a single ballot or vote upon all Directors to be elected.

Section 2. Nominating Procedure. The Board of Directors may, in its sole and absolute discretion, constitute a "Nominating Committee," and may place names in nomination to fill the office of Directors. However, whether or not the Board so nominates persons to stand for election as members of the Board of Directors, persons to stand for election as members of the Board of Directors shall or

may be nominated from the floor at the annual meeting of the members.

Section 3. Vacancies. The Board shall fill vacancies in its membership occurring between elections. A Board member, who is absent without sufficient cause (such sufficient cause being determined within the sole and absolute discretion of the remaining members of the Board by the majority vote thereof) from three (3) consecutive meetings of the Board may, at the option of the remaining members of the Board, be considered to have resigned, and such vacancies shall be filled by the unanimous vote of the remaining members of the Board; provided, however, that before such option is exercised by the Board, such member shall be given at least eight (8) days written notice that the exercising of such option is an issue to be placed before the Board so that such Board member shall have ample opportunity to appear before the Board to explain his absence from the meetings of the Board. For purposes of determining whether or not to exercise such option, the size of the Board of Directors shall be deemed to be reduced by one. Vacancies in positions on the Board filled by the vote of Class B Members shall be filled by the remaining Directors elected by Class B Members.

Section 4. Management. The management of the Corporation's business, funds, assets, deposits, properties and affairs shall be vested in the Board of Directors. The Board of Directors shall, however, if it in its sole and absolute discretion deems it advisable to do so, employ for the Association, a professional manager, management firm or managing agent, at a rate of compensation to be established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to those duties and services specified in the Declaration. The employment of such a manager, management firm or managing agent shall be upon such terms and conditions as the Association's Board of Directors shall, in its sole and absolute discretion, elect. Notwithstanding anything to the contrary hereinabove set forth in this Section 4, the Association or its Board of Directors shall not delegate any of its responsibilities for a term extending beyond the termination of Class B voting rights, prior to the conclusion of Class B voting rights, and shall not, prior to the termination of such Class B voting rights, employ any professional manager, managing agent or management firm for a term extending beyond the termination of Class B voting rights.

Any management agreement shall be terminable by the Association on six (6) months notice.

Section 5. Term of Office. The term of office of Directors shall be as specified in Section 1 of this ARTICLE VI; provided, however, that so long as there are Class B voting rights in the Association, all Directors shall be elected at each annual meeting of the members, meaning that such Directors shall term of one (1) year only.

Section 6. Termination of Directorship. The term of any Director who becomes more than thirty (30) days delinquent in the payment of any assessments due under the Declaration, or any share of the common expenses, and/or carrying charges shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 3 of this Article.

Section 7. Compensation. Directors, as such, shall not receive any stated compensation or salaries for their services as Directors.

Section 8. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors are elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any Director.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 14. Fidelity Bonds and Officers and Directors Insurance. The Board of Directors shall, if it in its discretion deems it appropriate to do so, require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds and may purchase Officers and Directors Liability Insurance, the cost of which shall be paid for from the Maintenance Fund or the assessments of members. The premiums on such bonds and insurance shall be paid by the Association.

Section 15. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by the Declaration or by these By-Laws, directed to be exercised and done by the members of the Association or by the Unit Owners. The property, funds and affairs of the Association shall be controlled and managed by the Board of Directors, which shall exercise all powers of the Association not reserved by these Bylaws or by the Declaration or Articles of Incorporation to the

members of the Association or the Unit Owners. The Association's Board of Directors shall have the authority to employ, discharge and determine the compensation of such management personnel, management firm, managing agent, professional management and employees as in its opinion are needed to do the work of the Association; provided, however, that so long as Class B voting rights are in existence the Directors shall not delegate responsibilities, or employ managing agents or a management firm, except within those limitations specified by Section 4 of this Article.

ARTICLE VII

Officers

Section 1. Number. The officers of the Board and the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may, if it in its sole and absolute discretion determines appropriate, also choose and appoint one or more additional Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, and such additional officers and agents, if any, as it may deem necessary from time to time. Any offices may be filled by the same person. Such officers shall be selected by the Board of Directors at the organizational meeting of the Board of Directors following the annual meeting of the members of the Association. The President and Vice-President must be members of the Board of Directors. The Secretary and/or Treasurer and any Assistant Secretaries or Assistant Treasurers need not be members of the Board of Directors if the Board of Directors determines such to be the case.

Section 2. Term. The officers shall hold office at the pleasure of the Board of Directors, for a period of one (1) year from the date of their respective elections, and until their successors are duly elected and qualified.

Section 3. Vacancies. A vacancy in any office for any reason shall be filled by the Board of Directors at any meeting for the unexpired portion of the term.

ARTICLE VIII

Duties of Officers

Section 1. General Powers. The officers shall have such power and authority in the control and management of the property and business of the Association as is usual and proper in the case of, and incident to, such corporate officers, except insofar as such power and authority is limited by these By-Laws, or by resolution of the Board of Directors.

Section 2. President. The President shall be the principal officer of the Association, and shall, in general, control and manage the property and affairs of the Association. He shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time. He shall sign all notes, agreements, conveyances or other instruments in writing made and entered into for or on behalf of the Association. He shall have all the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from time to time among the membership of the Association as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 3. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent and unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 4. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have custody of the seal of the Association; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 5. Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects

in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 6. Assistant Secretaries. The Assistant Secretaries, in order of succession, shall perform all of the duties of the Secretary in the event of the death, disability or absence of the Secretary, and such other duties, if any, as may be prescribed by the Board of Directors.

Section 7. Assistant Treasurers. The Assistant Treasurers shall, as to the funds entrusted to them, perform all of the duties of the Treasurers.

Section 8. Compensation of Officers. No officer shall receive any salary or other compensation for services rendered to the Association in his capacity as an officer of the Association. No remuneration shall be paid to any officer for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

ARTICLE IX

Liability and Indemnification Of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify (to the maximum extent permitted by the law of Missouri) every officer and director of the Association, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment

made by them, in good faith, on behalf of the Association or the Development (except to the extent that such officers or directors may also be Owners of Units) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right of indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or directors of the Association may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view of the interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including the Developer) in which one or more of the Directors of the Association are Directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee therefor which authorizes or approves the contract or transaction, or because of his or their votes as counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or is noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereafter to authorize any contract or transaction with like force and effect as

if he were not such Director or officer of such other corporation or not so interested.

ARTICLE X

Management

Section 1. Management. The Association, by and through its Board of Directors, shall enforce the provisions of the Declaration and of these Bylaws, and shall perform all duties and obligations conferred upon the Association by the Declaration, and shall have all powers, privileges, powers and discretions conferred upon the Association by the Declaration, and shall pay out of the Maintenance Fund, established by the Declaration, for those articles, items, duties and services to be supplied and performed by the Association through the use of such funds under the terms of the Declaration.

Section 2. Manager or Managing Agent. The Association, by and through its Board of Directors, may delegate any of its duties, powers or functions to a manager or managing agent, provided that such delegation shall be revocable upon no more than six (6) months written notice. The Association, and its officers, and its Board of Directors shall not be liable for any omission or improper exercise by the manager or managing agent of any such duty, power or function so delegated. Notwithstanding anything to the contrary set forth in this Section 2, so long as Class B voting rights are in existence, the Association shall not employ any professional manager, for a term extending beyond the termination of Class B voting rights, and shall not delegate any of its responsibilities for a term extending beyond the termination of Class B voting rights.

Section 3. Duties to Maintain. The Association, shall have the duty and obligation to perform the repairs and maintenance imposed upon the Association and/or the Board of Managers by the Declaration. Each Unit Owner shall have the duty and obligation to perform the maintenance upon his, her or their Unit imposed upon him, her or them by the Declaration, and shall be required to perform with respect to each Unit, all maintenance not specifically imposed by the Declaration upon the Association and/or the Board of Managers. The Unit Owners upon whom collective obligations of maintenance, repair and replacement are imposed by the Declaration, shall have the duty and obligation, to the Association

and all other Unit Owners, to perform or to cause to be performed the maintenance, repairs and servicing described in the Declaration.

Section 4. Access at Reasonable Times. For the purposes of discharging its duties and responsibilities as provided by these By-Laws and the Declaration, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Association, through its duly authorized agents, Directors or employees, shall have the right, after reasonable efforts to give notice to the Unit Owner, to enter into any Unit or any Apartment at any hour considered to be reasonable under the circumstances.

Section 5. Limitation of Liability. The Association, and its Directors, and its officers, shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Maintenance Fund established by the Declaration, or for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner or occupant of any Unit for loss or damage by theft or otherwise of articles which may be stored upon any of the Common Elements. No diminution or abatement of maintenance fund assessments as provided for by the Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or the Units or the buildings located thereon, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority. The directors, officers and the employees of the Association, and the Association itself (except to the extent of the cost of procuring same), shall not be liable for any failure by the Association to provide or perform any management, maintenance, repairs, servicing, upkeep or other services, or to procure any insurance, required by the Declaration.

ARTICLE XI

Assessments

This ARTICLE XI of these Bylaws shall be identical in form and content to Article 6 of the Declaration, which such Article is incorporated herein by reference.

ARTICLE XII

Financial Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of each year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts for all funds collected by the Association shall be kept under the direction of the Treasurer, in accordance with good bookkeeping principals consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the funds collected and the administration of such funds.

Section 3.S Auditing. Upon request by a majority of the Board of Directors of the Association, any Treasurer or Assistant Treasurer of the Association, whether present or past, shall submit his or her books and records for audit by an independent Certified Public Accountant, retained by the Association at its expense, whose report shall be prepared and certified in accordance with generally accepted auditing principles. In lieu of any such audit by an independent Certified Public Accountant, the Association's Board of Directors may appoint an "audit committee." Such audit committee shall consist of one (1) director and two (2) Class A members of the Association, who are not a members of the Board of Directors. If an audit committee is used, then the books and records shall be audited by such audit committee, which shall report to the Association's Board of Directors and its members.

Section 4. Inspection of Books. The books and accounts of the Association, or of the Treasurer or any Assistant Treasurer thereof, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, and/or their duly authorized agents or attorneys during normal business hours

and for purposes reasonably related to their interests as members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President and by the Secretary, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Seal. The Board of Directors may, if it in its discretion deems it appropriate, provide a corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant Treasurer.

ARTICLE XIII

Insurance

The Association's Board of Directors shall have the duty to obtain and maintain fire and casualty insurance to the extent reasonably available on any reasonably insurable improvements owned by the Association. The Association's Board of Directors, in its discretion, shall obtain, at the expense of the Association:

a. Such other fire and casualty insurance and physical damage insurance as it finds to be appropriate;

b. Such public liability insurance coverages and liability insurance coverages (in such amounts and for such limits) as it finds to be appropriate;

c. Worker's compensation insurance coverages shall be maintained to the extent required by law, and may, if not required by law, nevertheless be maintained if the Directors, in their discretion, find it to be appropriate that such insurance be maintained in effect;

d. Officers' and Directors' Liability Insurance Coverage, covering the Officers and Directors of the Association, to the extent the Board shall find to be appropriate;

e. Such other insurance coverages as the Board finds to be appropriate in its discretion.

The Association's Board of Directors shall have the authority (but not the obligation) to enforce requirements imposed by the Declaration upon Unit Owners that Unit Owners obtain any insurance coverages.

ARTICLE XIV

Amendment

Those provisions of these By-Laws which also appear in the Declaration may be amended only in that manner provided for the amendment of the Declaration by the Declaration. The remaining provisions of these By-Laws may be amended by the affirmative vote of a majority of the members of each class present at any meeting of the members at which a quorum is present, and which is duly called for that purpose. Amendments may be proposed by the Board of Directors or by a petition signed by members representing at least twenty percent (20%) of the voting members of a single class of members. A description of any proposed amendment of these By-Laws or the Declaration shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XV

Conflict With The Declaration

Section 1. Conflict. In the event any of the provisions of these By-Laws, or any provision of an amended version of these By-Laws, conflicts with the terms and provisions of the Declaration in any way whatsoever, these By-Laws shall be deemed to be subordinate and subject to all provisions of the Declaration. All of the terms hereof except where clearly repugnant to the context, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

Section 2. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable,

such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 3. Waiver. No restriction, condition, obligation or provision of these By-Laws or the Declaration shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 4. Captions. The captions contained in these By-Laws are for convenience only and are a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 5. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Adopted as the By-Laws of HIGHLAND SPRINGS HOMES ASSOCIATION, a not-for-profit corporation of the State of Missouri, effective the 3rd day of November, 1995 (same being attached to the Declaration, as the first By-Laws of the Association).

MEMBERS OF THE FIRST BOARD OF DIRECTORS OF THE ASSOCIATION:

Robert L. Walters

Barrett Glascock

William F. James, Jr.

Nancy J. James

Dennis R. Harper

SECRETARY OF THE ASSOCIATION: 883

STATE OF MISSOURI)
COUNTY OF BOONE) SS.

Document No. 637

I, the undersigned Recorder of Deeds for said county and state do hereby certify that the foregoing instrument of writing was filed for record in my office on the 10th day of January , 1996 at 11 o'clock and 35:23 minutes AM and is truly recorded in Book 1201 Page 750.

Witness my hand and official seal on the day and year aforesaid.

BETTIE JOHNSON, RECORDER OF DEEDS

by Lisa Victor deputy
Lisa Victor