

DECLARATION
SUNSET COVE TOWNHOMES - FIRST ADDITION

KNOW ALL MEN BY THESE PRESENTS:

This Declaration is made this 3rd day of January, 1989, by SUNSET COVE, LTD., a Missouri corporation ("Declarant").

WHEREAS, SUNSET COVE, LTD., a Missouri Corporation, hereinafter called "Declarant", is the owner of the real property described on the attached Exhibit "A", Exhibit "C" and Exhibit "F", which by this reference, are made a part hereof (hereinafter referred to as the "Real Estate"); and

WHEREAS, Declarant desires to establish a condominium project under the Uniform Condominium Act of the State of Missouri Sections 448.1-101 to 448.4-120 R.S.Mo. 1983; and

WHEREAS, certain real estate was originally declared a condominium project known as "Pebble Shores Condominium Section I" by a Declaration recorded October 9, 1984 and filed in book 172 at pages 1314-1377 in the office of Recorder of Deeds, Stone County, Missouri; and

WHEREAS, subsequent to such Declaration, the project was foreclosed upon by the holder of a first Deed of Trust on the project; said foreclosure being conducted on the 6th day of February, 1987 and being evidenced by a Trustees Deed dated February 6, 1987 and recorded in book 183 at pages 1421-1432 in the office of Recorder of Deeds, Stone County, Missouri; and

WHEREAS, Declarant does hereby establish a plan for the condominium ownership in fee simple of the condominium real property estates located on the real property described in the attached Exhibit "A" and Exhibit "F", consisting of the area or space contained in each of the air space units located in the building improvements and the eventual co-ownership by the individual and separate owners thereof, as tenants in common of all of the common property, which property is hereinafter defined and referred to as "common elements."

NOW, THEREFORE, Declarant has terminated the condominium and the declaration recorded in book 172 at pages 1314 to 1377 of the office of Recorder of Deeds, Stone County, Missouri; and

Declarant hereby submits the Real Estate described in the attached Exhibit "A" and Exhibit "C" and Exhibit "F" to a Condominium form of ownership and Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant, Unit Owners, their heirs, successors and assigns, and any person or entity acquiring or owning an interest in the real property and improvements, their grantees and their heirs, executors, trustees, administrators, devisees, successors and assigns. This Real Estate shall constitute a subsequent Phase of SUNSET COVE CONDOMINIUMS.

GENERAL STATEMENT OF LANDS DECLARED FOR CONDOMINIUM USE
HEREIN, DEVELOPER COMMITMENTS AND RESERVATION OF DEVELOPMENT RIGHTS

SUNSET COVE TOWNHOMES - First Addition is a single and independent Condominium Declaration and Filing. Presently existing or to be constructed on the real estate herein described are two (2) Condominium buildings containing eight (8) units and a common element clubhouse building. Declarant commits to the transfer of the common elements to ownership by the Association not later than: (1) Nineteen (19) years from the date hereof; or (2) Exhaustion of all of Declarant's Development rights through the completion of construction of all phases of Sunset Cove. All units shall be sold by Declarant as provided herein. Additional buildings and units may, but need not be, constructed by Declarant (not to exceed Six Hundred Fifty (650) Units) by exercising its Development rights as provided herein on the property designated on Exhibit "D", and such units may be made a part of Sunset Cove Condominiums in the discretion of Declarant and may be made members of the Association. After exhaustion of all Development rights, or the lapse of nineteen (19) years, whichever shall last occur, Declarant's ownership of the Common Elements shall cease and be transferred to the Association to be owned by the Association and all of the Unit Owners. Provided however, that

Declarant may, in its discretion, convey such common elements to the Association and the Owners at anytime prior to such time. The additional buildings comprising the additional phases of the project may be developed in any sequence or order to meet market demand, financing considerations and the best overall project development plan. Membership in such non-profit corporation shall require that each member or owner bear a proportionate share of the maintenance and repair of the common element, including the real property and improvements of the clubhouse, designated on Exhibit "C" and a proportionate share of the maintenance and repair of the common elements. Declarant reserves the right not to submit any portion of the real property designated on Exhibit "D" to any Phase of SUNSET COVE TOWNHOMES - First Addition and the right to use any portion of such property for other purposes. Furthermore, Declarant does not, by this Declaration commit to the completion of additional phases of SUNSET COVE TOWNHOMES - First Addition or any future Common Elements on the property shown on Exhibit "D". The same will be constructed only if, as and when the marketing, economic and other conditions direct and as the Declarant, shall deem best. In the event, however, such additional phases may, in Declarant's discretion, be constructed by the Declarant each unit owner of such subsequent phase may, in Declarant's discretion, be and become a member of the SUNSET COVE CONDOMINIUM OWNERS ASSOCIATION, INC., subject to the privileges and obligations of such membership. Declarant expressly reserves the right to alter the "Proposed Future Development" plan shown on Exhibit "D" in terms of land use, density and location and type of proposed improvements in any manner which, in the sole discretion of Declarant, it is determined necessary and feasible to accomplish an overall planned unit development that meets market demand taking into consideration land availability, availability of financing and overall compatibility of improvements. Declarant may withdraw part of such land and develop other parts or develop all of such land for other uses in Declarant's sole discretion.

1. Definitions. The terms used in this Declaration and the Condominium Documents attached hereto unless the context shall expressly provide otherwise, shall mean:

(a) "Association" shall mean SUNSET COVE CONDOMINIUM OWNERS ASSOCIATION, INC., a Missouri Not-For-Profit Corporation, its successors or assigns, which shall be responsible for the operation, control, and maintenance of SUNSET COVE TOWNHOMES - First Addition as herein defined;

(b) "Common elements", all portions of the property other than the units and limited Common Elements such term may include personal property not located on the real estate, including but not limited to, boat docks and/or a boat storage building.

(c) "Common Expenses", the expenditures made by or financial liabilities of the Association together with any allocation to reserves;

(d) "Condominium Documents", the Declaration filed on December 9, 1987 at Pages 1031 through 1070 in Book 187 in the Office of the Recorder of Stone County, Missouri, this Declaration together with the proposed future development plot plan attached hereto as Exhibit "D", and the By-Laws of SUNSET COVE CONDOMINIUM OWNERS ASSOCIATION, INC., attached hereto as Exhibit "E", and the Plat;

(e) "Declarant", SUNSET COVE, LTD., a Missouri Corporation, and its successors or assigns;

(f) "Declaration", this instrument and amendments thereto by which the property is submitted to the provisions of the Missouri Uniform Condominium Act, as hereinafter provided, and the declaration as from time to time amended;

(g) "Development Rights" means the rights or combination of rights reserved, if any, by the Declarant in this Declaration to add real estate to the Condominium to create units and to add or vest additional units and common elements or limited common elements within the condominium or to subdivide units or convert units into common elements or to withdraw real estate from the condominium.

(h) "Limited Common Elements", that portion of the common elements which is reserved for the use of a certain unit to the exclusion of other

units. Any balcony, shutters, awnings, window boxes, doorsteps, stoops, porches, patios, and all exterior doors and windows, or other fixtures designed to serve a single unit but located outside the unit's boundaries shall be "Limited Common Elements" and are allocated exclusively to that unit.

(i) "Majority" or "majority of the unit owners", as that term is used with respect to all matters shall mean the owners of more than fifty percent in the aggregate in interest of the undivided ownership of common elements. Any specified percentage of the unit owners means such percentage in the aggregate in interest of the undivided ownership.

(j) "Persons", a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property;

(k) "Plat", a plat or plats of survey or surveys together with amendments thereto of the parcel or parcels and of all units which are proposed for inclusion in the property or properties submitted to the Missouri Uniform Condominium Act, which plat or plats may consist of a three-dimensional horizontal and vertical delineation of all such units and contains the information required by the provisions of Subsection 2 of Section 448.2-109, R.S.Mo. 1983;

(l) "Property", all the land, property or properties and space comprising the parcel or parcels, all improvements and structures erected, constructed or contained therein or thereon, including the buildings and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual benefit or enjoyment of the unit owners, submitted to the provisions of the Missouri Uniform Condominium Act.

(m) "Record", to record in the office of the Recorder of Deeds of Stone County, Missouri;

(n) "Special Declarant Rights" means rights reserved for the benefit of a declarant to complete improvements indicated on plats and plans filed with the declaration; to hold title to the Common Elements until completion of the project as specified herein; to exercise any development right; to maintain sales offices, management offices, signs advertising the condominium, and models, to use easements through the common elements for the purpose of making improvements within the condominium or within real estate which may be added to the condominium; to make the condominium part of a larger condominium or a planned community; to make the condominium subject to a master association; to appoint or remove any officer of the association or any master association, or any executive board member during any period of declarant control; or to enjoy the privileges afforded Unit Owners to use the common elements even if Declarant has sold all completed units.

(o) "Unit", a part of the property including one or more rooms, occupying one or more floors or a part or parts thereof, designed and intended for any type of independent use, and having lawful access to a public way;

(p) "Unit Boundaries", the interior unfinished surface of a unit's floors and the lateral extensions of the interior unfinished surfaces of its perimeter wall through window frames and door frames and by doors and windows. Each Unit shall also be deemed to include air space contained between said boundary lines and the surface of doors and windows;

(q) "Unit owner" or "Owner", the person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a unit.

2. Division of Property into Condominium Units.

(a) The property is hereby divided into separate condominium units. The condominium units are respectively identified and designated by numbers as shown on the attached Exhibit "B" and Exhibit "F".

No owner shall, by deed, plat or otherwise, subdivide or cause his condominium unit to be separated into tracts or parcels, including partition.

3. Ownership of Condominium Units and Common Areas and Facilities - Ownership Percentages - Voting Rights.

(a) Each condominium unit, together with its undivided interest in the common areas and facilities to be conveyed by Declarant, shall constitute real property and may be individually conveyed and encumbered as if it were entirely independent of the other condominium units in the building.

(b) The owner of each condominium unit shall be seized of fee simple title to and exclusive ownership and possession of his condominium unit and of the fee simple title in an undivided interest in the common areas and facilities to be conveyed by Declarant, which undivided interest shall be a fraction, determined by using a numerator of 1 and a denominator consisting of the total number of completed units in all phases of SUNSET COVE CONDOMINIUMS and SUNSET COVE TOWNHOMES - First Addition. The Unit Owners shall also bear the common expenses of the Association as defined herein on said basis. The ownership percentages of each unit in this phase of this condominium is set forth on the attached Exhibit "B". The ownership percentages as set forth above shall, except as otherwise provided in this Declaration or in the Articles and By-Laws of the Association with respect to the Declarant, determine and govern the voting rights of the unit owners of this phase for all purposes on all voting matters of the Association.

4. Limited Common Elements.

A portion of the common elements is reserved for the exclusive use of one or more but less than all of the unit owners and such areas are referred to as "limited common elements." The limited common elements other than parking spaces and those defined in subdivisions (2) and (4) of Section 448.2-102 R.S.Mo. 1983 shall be identified on the plat. Limited common elements so identified on the plat shall, without further reference thereto, be used in connection with such unit to the exclusion of the use thereof by the other owners of the common elements, except by invitation. All of the owners of condominium units in this condominium project shall have a non-exclusive right in common with all of the other owners to the use of sidewalks, pathways, driveways, streets, and exterior exit balconies within the entire condominium project. No reference thereto, whether such limited common elements are exclusive or non-exclusive, needs to be made in any deed, instrument of conveyance or other instrument, and reference is made to the provisions of paragraph 5 of this declaration.

5. Plat.

Simultaneously with the recording of the declaration there shall be recorded a plat which plat shall be made by a registered and licensed Missouri land surveyor who shall certify that the plat sets forth and complies with the requirements of Section 448.2-109 R.S.Mo. 1983.

6. Description of Condominium Unit.

(a) Every contract for sale of a condominium unit, written before or after the recording of the plat or this declaration, every deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit designation, building number, if any, followed by the name of this condominium with further reference to the plat and declaration filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also the owner's corresponding percentage of ownership in the common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a perpetual non-exclusive easement for ingress and egress to and from an owner's unit to and from the public road and use of the limited common elements appurtenant to his unit.

(b) The reference to the plat and declaration in any instrument shall be deemed to include any supplements or amendments to the plat or declaration without specific reference thereto.

(c) No unit owner shall execute any deed, mortgage, lease, trust deed, contract, will or other instrument conveying or mortgaging title to his unit without including the unit interest in the common elements, it being the intention hereof to prohibit any severance of such combined ownership. Any

contract, deed, mortgage, lease, trust deed, will or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the unit interest in the common elements may be sold, transferred or otherwise disposed of except as part of a sale, transfer or other disposition of the entire unit to which such interests are appurtenant.

7. Form of Ownership - Title.

A condominium unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Missouri.

8. Inseparability of a Condominium Unit.

Each unit, the appurtenant undivided interest in the common elements and the appurtenant limited common elements shall together comprise one condominium unit, shall be inseparable and may be conveyed, leased, devised or encumbered only as a condominium unit. Each unit may be owned by more than one person or entity as tenants in common, joint tenants, tenants by the entirety, or otherwise, as permitted for ownership of any real estate, however no unit shall be split into a time sharing or similar form of split ownership.

9. Separate Assessment and Taxation of Condominium Units.

Each unit and the undivided interest in the common elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

10. Non-Partitionability of Common Elements.

Once conveyed, the common elements shall be owned in common by all of the owners of the units and shall remain undivided, and no owner shall bring any action for partition or subdivision of the common elements, limited common elements, or otherwise.

11. Easements.

(a) Encroachments. In the event that any portion of the common elements encroaches upon any unit or units; or in the event that any portion of a unit encroaches upon any other unit or units, or upon any portion of the common elements, or in the event any encroachment shall occur in the future as a result of: (1) settling of a building; or (2) alteration or repair to the common elements; or (3) repair or restoration of a building(s) and/or a unit(s) after damage by fire or other casualty, or condemnation or eminent domain proceedings; a valid easement shall exist for the encroachment and for the maintenance of the same as long as the building(s) stands or encroachment exists. In the event that any one or more of the units or buildings or other improvements comprising part of the common elements are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements or on the units for purposes of marketability of title or other purposes. In interpreting any and all provisions of the declaration, subsequent deeds to and/or mortgages relating to condominium units, the actual location of a unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations, either horizontally, vertically or laterally from the location of such unit indicated on the plat.

(b) Maintenance Easement. An easement is hereby granted to the Association and the Declarant, their officers, agents, employees and assigns upon, across, over, in and under the common elements to make such use of the common elements as may be necessary or appropriate to perform the duties and functions which they are obligated and/or permitted to perform pursuant to this declaration, including the right to construct and maintain on the common elements maintenance and storage facilities for the use of the Association and the Declarant. Further, an easement is hereby granted to the Declarant, its agents and employees and the Association, its employees and third party

contractors for ingress and egress to any condominium unit within the project in order to permit Declarant to perform any necessary maintenance and/or repairs required of it under the terms and provisions of any purchase agreement between Declarant and the owner of an individual condominium unit.

(c) Emergency Easement. An easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon all streets and upon the project in the performance of their duties.

(d) Maintenance of Limited Common Element Easement. There is hereby granted to each owner of a condominium unit an easement on, over and across the common elements as may be necessary or appropriate, to enable such owner to perform maintenance, repair and other work upon limited common element appurtenant to his unit.

(e) Easement for Exercise of Special Declarant Rights. The Declarant shall have the right, to grant and reserve easements and rights-of-way through under/over and across the property for purposes of and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities to service this phase of condominium and subsequent phases of SUNSET COVE TOWNHOMES - First Addition and/or SUNSET COVE CONDOMINIUMS if, as and when developed. There is further specifically reserved an easement for ingress and egress for walkway and vehicular traffic to the Declarant through, over and across the property described on Exhibit "A" for purposes of development and construction of subsequent phases of SUNSET COVE CONDOMINIUMS and/or SUNSET COVE TOWNHOMES - First Addition which reserved rights in this Paragraph (e) shall expire nineteen (19) years from the date of the recording of this Declaration.

(f) Reserved and Granted Easements for Ingress and Egress. There is specifically and respectively granted and reserved cross easements for ingress and egress for walkway and vehicular traffic to and for unit owners of all condominium units of SUNSET COVE CONDOMINIUMS and SUNSET COVE TOWNHOMES - First Addition and all unit owners of subsequent phases of SUNSET COVE CONDOMINIUMS if the same shall be developed over and across the areas so designated on Exhibit "A".

12. Termination of Mechanic's Lien Rights and Indemnification.

Subsequent to the completion of the improvements described on the plat, no labor performed or materials furnished and incorporated in a unit with the consent or at the request of the unit owner, his agent, his contractor, or subcontractor shall be basis for filing of a lien against the limited common elements, common elements or against the unit of any other unit owner who did not expressly consent to or request the services or materials. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the unit of any other owner or against the common elements for construction performed or for labor, materials, services or other products incorporated in an owner's unit at such owner's consent or request, including all reasonable attorney's fees incurred in the defense of such claim.

13. Administration of the Association.

(a) The interests of all owners of condominium units shall be governed and administered by an Association named SUNSET COVE CONDOMINIUM OWNERS ASSOCIATION, INC. The Articles of Incorporation and By-Laws of the Association and the shall govern its administration. The By-Laws of the Association are attached hereto as Exhibit "E".

(b) An owner of a condominium unit upon becoming an owner shall be a member of the Association and shall remain a member for the period of ownership.

(c) The Association by its Executive Board may contract for and pay for the services of a managing agent who shall perform all such duties prescribed by said Executive Boards.

14. Declarant Control of Executive Board.

(a) The Executive Board of the Association shall be appointed by the Declarant and may be removed or re-elected by Declarant. After the earlier of: (1) Nineteen (19) years from the date of this Declaration; or (2) Complete development of all phases of SUNSET COVE CONDOMINIUMS and exhaustion of all of Declarant's development rights. By written notice delivered to any member of the Executive Board the Declarant may voluntarily surrender the reserved right to appoint and remove members of the Executive Board prior to the occurrence of the earlier of the above events.

15. Access to Units for Maintenance, Repairs and Emergencies.

(a) The owners shall have the irrevocable right, to be exercised by the resident manager, managing agent, or Executive Board of the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom; provided, however, that such right of access shall be immediate for making emergency repairs therein in order to prevent damage to the common elements or to another unit.

(b) Damage to the interior or any part of a unit resulting from the maintenance, repair, emergency repair, or replacement of any of the common elements or as a result of emergency repairs within another unit shall be a common expense of all of the owners; provided, however, that if such damage is caused by negligent or tortious act of a unit owner, members of his family, his agent, employees, invitee, licensee or tenant, then such unit owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. All maintenance, repairs and replacements of the common elements, whether located inside or outside of the units (unless necessitated by the negligence, misuse or tortious act of a unit owner, in which case such expense shall be charged to such unit owner), shall be the common expense of all of the owners.

16. Owner's Maintenance Responsibility for His Unit.

(a) For maintenance purposes, an owner shall be obligated to keep in good repair and condition the walls, the materials such as, but not limited to, plaster, plasterboard, gypsum dry wall, paneling, wallpaper, tiles, paint, finished flooring, wall and floor tile (but not, including the sub-flooring, which makes up the finished surface of the perimeter walls), ceilings and floors within his unit, (including unit doors and windows). The lines, pipes, wires, conduits or systems (which for brevity are herein and hereinafter referred to as utilities) running through his unit which serve more than one (1) unit are general common elements. Such utilities shall not be disturbed or relocated by an owner without the written consent and approval of the Executive Board of the Association. An owner's right to repair, alter and remodel the interior of his unit shall be coupled with the obligation to replace any finished or other materials removed with similar or other types or kinds of materials of at least the same quality.

(b) An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereof. All fixtures and equipment installed within the unit commencing at a point where the utilities enter the unit shall be maintained and kept in good repair and condition by the owner thereof; provided, however, that if any such fixtures and equipment are damaged as a result of an external force or cause, and if such damage is not covered by insurance, the cost of repair shall be an Association expense (a common expense of all of the condominium unit owners). An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. An owner shall always keep the limited common elements appurtenant to his unit in a clean and sanitary condition and shall not use nor permit use thereof in such a manner as will be offensive to another owner of reasonable sensitivities.

17. Maintenance of the Common Elements of the Condominium and Real Property and Improvements Designated on Exhibit "C".

(a) The maintenance and operation of the buildings including Common Elements and Limited Common Elements in SUNSET COVE TOWNHOMES - First Addition shall be the responsibility and the expense of the Association and a common

expense of all of the condominium unit owners and assessed according to the percentage of ownership of the common elements set forth in Paragraph 3(b) of this Declaration.

(b) There shall be no additions, alterations, or improvements of or to the common elements and limited common elements by the Association requiring an assessment in excess of Two Hundred Fifty (\$250.00) Dollars per unit in any one calendar year without prior approval of a majority of the owners. Such approval shall be expressed by a vote in favor thereof by the owners of a majority in interest at a special or regular meeting of the Association members. Such expenditure(s) shall be a common expense. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any common element or limited common element or common personal property.

18. Compliance with Provisions of Declaration Mandatory.

Each owner shall comply with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and the Rules and Regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully adopted pursuant thereto and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief, or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Executive Board in the name of the Association on behalf of the owners or, in a proper case, by an aggrieved owner.

19. Revocation or Amendment to Declaration.

(a) Except as is otherwise provided, this Declaration shall not be revoked unless all of the owners and all of the holders of any recorded first mortgage or first deed of trust covering or affecting any or all of the condominium units in the project consent and agree to such revocation by instrument(s) duly recorded. Except as provided herein for exercise of Special Declarant Rights this declaration shall not be amended unless the owners representing an aggregate ownership interest of seventy-five (75%) percent, or more, of the common elements in the project and all of the holders of recorded first mortgages or deeds of trust consent and agree to such amendment by instrument(s) duly recorded. The undivided interests in the common elements appurtenant to each unit shall have a permanent character and shall not be altered without the consent of all of the unit owners and all of the holders of recorded first mortgages or first deeds of trust as expressed in an amended declaration duly recorded.

(b) No amendment shall adversely affect the rights of first mortgagees in regard to any mortgage in which it is a mortgagee unless the instrument of amendment bears the consent of each first mortgagee.

(c) In the event that any provision of any amendment is inconsistent with the Law, the latter shall govern.

(d) Notwithstanding the foregoing provisions, any Articles of Incorporation of the Association may be amended as provided therein and The Missouri General Not-For-Profit Corporation Act, and the By-Laws of the Association may be amended as provided in said By-Laws.

20. Special Declarant Right to Amend Declaration. Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, or any other governmental agency or any other public, quasipublic or private entity which performs (or may perform in the future) functions similar to those currently performed by such entities and/or (ii) to induce any of such agencies or entities to make, purchase, sell and insure or guarantee deeds of trust covering condominium units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to a special amendment on behalf of each owner, each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a condominium unit and the acceptance thereof shall be

deemed to be a grant and acknowledgement of and a consent to the reservation of power to Declarant to make, execute and record special amendments. No special amendments made by Declarant shall adversely affect or impair any deed of trust upon a condominium unit or any warranties made by an owner or holder of a deed of trust in order to induce any of the foregoing agencies or entities to make, purchase, insure or guarantee the deed of trust on such owner's condominium unit.

21. Assessment for Common Expenses.

(a) All owners shall be obligated to pay the estimated assessments imposed by the Executive Board of the Association to meet the common expenses. The common expenses of the Association shall be assessed among all of the condominium unit owners, in accordance with Paragraph 3 of this Declaration. The limited common elements shall be maintained as common elements, and no unit owner shall be separately assessed therefor. Assessments for the estimated common expenses of the Association shall be due in advance monthly on the first (1st) day of each month. The statements for common expenses shall be prepared and delivered or mailed to each owner. The method of assessment described herein may not be amended without the written approval of two-thirds (2/3) of the owners of the individual condominium units. The initial monthly common expense shall be One Hundred Twenty-Five (\$125.00) Dollars per month per unit, subject to amendment and change as provided herein.

(b) Each unit owner's obligation to begin payment of assessments shall begin on the date of the final settlement of the unit owner's purchase and, in the case of completed units owned by the Declarant, shall begin on the first day of the next calendar month following the month in which the closing of the purchase and sale of the condominium unit occurs.

(c) In the event the ownership of a condominium unit, title to which is derived from Declarant, commences on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

(d) Assessment shall be based upon the cash requirements deemed to be such aggregate sum as the Board of the Association shall from time to time determine is to be paid by all of the condominium unit owners, including Declarant to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the common elements which are the responsibility of the Association which sum may include, but shall not be limited to, expenses of management, taxes and special assessments until separately assessed; snow removal and road repair, premiums for insurance, landscaping and care of grounds, common lighting and heating, repairs and renovations, trash and garbage collection, wages, common water and sewer charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent, on behalf of the unit owners under or by reason of this declaration and the Articles of Incorporation and By-Laws of the Association, for a deficit remaining from a previous period, for the creation of a reasonable contingency, reserve, working capital and sinking funds as well as other costs and expenses relating to the common elements.

(e) Pursuant to the provisions of Paragraph 27 of this Declaration, the Board may levy such assessments for the purpose of defraying the cost of repair or reconstructing the improvements in the event of their damage, all as more particularly set forth in said Paragraph 27.

(f) The Association by its Board may levy a special assessment against any individual unit or any unit owner for the reasonable expenses incurred in the reconstruction or repair to the common elements, limited common elements, the individual unit of any unit owner or the real property said individual unit owner's misconduct, negligence or infraction of the published rules and regulations of the Association.

(g) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owner's obligation to pay same.

(h) The Association shall have all of the powers of associations enumerated in Section 448.3-102 R.S.Mo. 1983.

22. Insurance.

(a) The Board of the Association as its interests may appear shall obtain and maintain at all times, to the extent obtainable, policies involving standard premium rates, established by the Missouri Insurance Commissioner, and written with companies licensed to do business in Missouri and have a Bests' Insurance Report rating of A (Excellent), Class X or better, covering the risks set forth below. The Board of the Association shall not obtain any policy where: (1) under the terms of the insurance company's charter, by-laws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (2) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the company's board of directors, policyholders or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

(1) Fire insurance with extended coverage and standard all risk endorsements, which endorsements shall include endorsements for vandalism and malicious mischief. Said casualty insurance shall insure the entire condominium project and any property, the nature of which is a common element (including all of the units and fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by unit owners) together with all service equipment contained therein in an amount equal to the maximum replacement value, without deduction for depreciation if such coverage is available.

(2) If the condominium project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the condominium project.

(3) Public liability and property damage insurance in such limits as the Board of the Association may from time to time determine, but not in an amount less than \$500,000 per injury, per person, per occurrence and umbrella liability limits of \$500,000 per occurrence, covering claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest" endorsement.

(4) Worker's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(5) The Association may purchase fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(6) The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the project, including plate or other glass insurance and any personal property of the Association located thereon.

(b) All policies of insurance to the extent obtainable shall provide that:

(1) Each Unit Owner and the Declarant is an insured person under the policy with respect to liability arising out of his interest in the common elements or membership in the Association;

(2) The insurer waives its rights to subrogation under the policy against the Declarant and any Unit Owner or members of his household;

(3) No act or omission by the Declarant or any Unit Owner, unless acting within the scope of his authority on behalf of the Association will void the policy or be a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(5) That such policies may not be cancelled or modified without at least ten (10) days' prior written notice to all of the insureds, including mortgagees. If requested in writing by one or more of the mortgagees, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all mortgagees at least ten (10) days prior to expiration of the then current policies. The insurance shall be carried in blanket form naming the SUNSET COVE OWNER'S ASSOCIATION, INC., as the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number designation) and first mortgagee. Further, the Association shall require the insurance company or companies providing the insurance coverages described herein to provide each owner and mortgagee a certificate of insurance in regard to such owner's individual condominium unit.

(c) Condominium unit owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Executive Board of the Association shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

(d) Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personalty or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Board, the Association, and/or the managing agent shall have no responsibility therefor.

(e) In the event that there shall be any damage or destruction to, or loss of or taking of a unit which exceeds \$1,000 or any damage or destruction to, or loss to or taking of the common elements which exceeds \$10,000 then notice of such damage or loss or taking shall be given by the Association to each first mortgagee of said condominium unit within ten (10) days after the occurrence of such event and the cost of repair is determined.

(f) Each Owner shall be responsible for any costs not otherwise covered by insurance carried by the Association and caused by such Owner's negligence or misuse or by the negligence or misuse of his immediate family, or his agents or employees in the course of their duties, and shall, to the extent not covered by insurance proceeds collected by the Association, indemnify and hold harmless the Association, Declarant and all other Owners against any such costs.

23. Owners' Personal Obligation for Payment of Assessments.

The amount of the common expenses assessed by the Association against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements, the real property and improvements owned by the Association or by abandonment of his unit. The Board of the Association shall have the responsibility to take prompt action to collect any unpaid assessments which remain unpaid for more than ten (10) days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of Nine (9%) Percent per annum on the amount of the assessment from the due date thereof, together with all expenses of collection, including attorney's fees incurred, together with such late charges as provided by the By-Laws and Rules and Regulations of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing the lien, nor shall such suit be or construed to be a waiver of the lien.

24. Association Lien for Non-Payment of Common Expenses.

(a) All sums assessed by the Association but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for tax and special assessment liens on the condominium unit in favor of any assessing unit, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances. To evidence such lien, the Board of the Association shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice of lien shall be signed by one of the Board or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the County Clerk and Recorder. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been fully paid.

(b) Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice of claim thereof. In any such proceedings, the owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure, all additional costs, all expenses and reasonable attorney's fees incurred. The owner of the condominium unit being foreclosed shall be required to pay to the Association the monthly common assessment for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver during foreclosure. The Association shall have the power to bid in the condominium unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey and otherwise deal with the same.

(c) Any mortgagee holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment, such encumbrancer shall have a lien on such unit for the amount paid of the same rank as the lien of his mortgage or encumbrance without the necessity of having to record a notice of claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a condominium unit any unpaid assessment remaining unpaid for longer than thirty (30) days after the same is due; provided, however, that a mortgagee shall have furnished to the Association notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien to be signed by an officer of the Association on behalf of the Association.

(e) Notwithstanding any of the foregoing provisions, any mortgagee who obtains title to a condominium unit pursuant to the remedies set forth in its mortgage or deed of trust shall take title to the unit free and clear of all common expense assessments levied thereon prior to such transfer of title and free and clear of all liens created as a result of such assessment.

25. Ascertainability of Unpaid Common Expenses.

(a) The unit owners and their mortgagees, prospective mortgagees or prospective grantees, upon ten (10) days' written notice to the Board of the Association and upon payment of a reasonable fee, shall be furnished a statement of his account. The statement of account shall include the amount of any unpaid common expenses, the amount of the current assessments, the dates that assessments are due, the amount for any advanced payments made, prepaid items such as insurance policy premiums and reserves therefor and any deficiencies in reserve accounts which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request shall be complied with within ten (10) days after receipt of such written request, all unpaid common expenses which become due prior to the date of such request shall be subordinate to the rights of the person requesting such statement.

(b) The provisions set forth in this paragraph shall not apply to the initial sales and conveyances of the condominium units made by Declarant, all such initial sales shall be free from all common expenses to date of conveyance made or to a date as agreed upon by Declarant and Declarant's grantee.

26. Priorities of Association Lien for Common Expenses.

The owner of a condominium unit may create a junior mortgage (junior to the lien, deed of trust or other encumbrance of a first mortgage), liens or encumbrances on his condominium unit; provided, however, that any such junior mortgages, liens or encumbrances shall always be subordinate to the prior and paramount lien of the Association for common expenses and all of the terms, conditions, covenants, restrictions, uses, limitations and obligations under this declaration, the Association Articles of Incorporation and By-Laws and provided, further, that such junior encumbrance(s) shall release, for purposes of restoration of any improvements upon the encumbered condominium unit, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association and if such request is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

27. Destruction, Damage or Obsolescence - Association as Attorney-in-Fact.

This declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the condominium in the event of its destruction, damage, obsolescence or condemnation, including the repair, replacement and improvement of any condominium units, common elements or limited common elements which has been so destroyed, damaged, condemned or becomes obsolete. Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the declarant or from any owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the owners irrevocably constitute and appoint the Association as their true and lawful attorney in their name, place and stead, for the purpose of dealing with the project upon its damage, destruction, obsolescence or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary or assistant secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. In the event that the Association is dissolved or becomes defunct, a meeting of the condominium unit owners shall be held within thirty (30) days after either such event. At such meeting a new attorney-in-fact, to deal with the project upon its destruction, damage, obsolescence, or condemnation shall be appointed. Said appointment must be approved by the owners representing an aggregate ownership interest of seventy-five (75%) percent or more of the common elements and at least seventy-five (75%) percent of the first mortgagees of the condominium units. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which they existed prior to the damage, with each unit and the common elements and limited common elements having substantially the same vertical and horizontal boundaries as before, and all improvements being reconstructed or repaired in substantial conformance with the project's original architectural plan and scheme to the extent then reasonably and economically feasible. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, reconstruction or replacement unless eighty (80%) percent of all of the owners and all first mortgagees agree not to rebuild in accordance with the provisions hereinafter set forth and only in the event that Declarant has ceased ownership of the common elements or in the event that Declarant still owns the common elements, if Declarant agrees with the decision not to rebuild made by such owners and mortgagees.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as

attorney-in-fact to cause the repair and restoration of the improvement(s). Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) In case of fire or other disaster, if the insurance proceeds are insufficient to reconstruct the building and the unit owners and all other parties in interest do not voluntarily make provision for reconstruction of the building within one hundred eighty (180) days from the date of damage or destruction, the Board may record a notice setting forth such facts and upon the recording of such notice:

(1) The property shall be deemed to be owned in common by the unit owners;

(2) The undivided interest in the property owned in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common elements;

(3) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the unit owner in the property as provided herein; and

(4) The property shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the unit owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the unit owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner. Assessments for the common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

(c) The owners representing an aggregate ownership interest of eighty (80%) percent or more, of the common elements in this condominium may agree that the common elements are obsolete and adopt a plan for the renewal and reconstruction, which plan must have the approval of at least eighty (80%) percent of the first mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plans shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the owners as a common expense, whether or not they have previously consented to the plan of renewal and reconstruction. The Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the rate of twelve (12%) percent per annum, and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, as follows:

(1) For payment of the balance of the lien of any first mortgage;

(2) For payment of taxes and special assessments liens in favor of any assessing entity and the customary expenses of sale;

(3) For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;

(4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

(5) The balance remaining, if any, shall be paid to the condominium unit owner.

(d) Not less than eighty (80%) percent of the unit owners and all of the first mortgagees of the units may, by affirmative vote at a meeting of unit owners duly called for such purpose, elect to sell the condominium property. Such action shall be binding upon all unit owners, and it shall thereupon become the duty of every unit owner to execute and deliver such

instruments and to perform all acts in any manner and form as may be necessary to effect the sale. Any unit owner who did not vote in favor of such action and who has filed written objection thereto with the manager or Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, less the amount of any unpaid assessments or charges due and owing from such unit owner. The value of such interest, for the purposes of this chapter, shall be that percentage of the total value of the property determined by fair appraisal which represents the ownership percentage of the common elements allocated to the unit owned by such objecting owner.

29. Condemnation.

If at any time or times during the continuance of the condominium ownership pursuant to this declaration, all or any part of the condominium shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this Article shall apply:

(a) Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award" shall be payable to the Association.

(b) Complete Taking.

(1) In the event that the entire condominium is taken or condemned, or sold or otherwise disposed of in lieu of or avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the owners on the same basis of each condominium unit owner's interest in the common elements, provided however, that if a standard different from the value of the property as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

(2) On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable as follows:

- (i) For payment of the balance of the lien of any first mortgage;
- (ii) For payment of taxes and special assessments liens in favor of any assessing entity and the customary expenses of sale;
- (iii) For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;
- (iv) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (v) The balance remaining, if any, shall be paid to the condominium unit owner.

(c) Partial Taking. In the event that less than the entire condominium is taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: as soon as practicable the Association shall reasonably and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the owners as follows: (1) the total amount allocated to taking of or injury to the common elements, shall be apportioned among the owners on the basis of each owner's interest respectively in the common elements; (2) the total amount allocated to severance damages shall be apportioned to those condominium units which were taken or condemned; (3) the respective amounts allocated to the taking of or damage to a particular unit and to the improvements an owner has made within his own unit shall be

apportioned to the particular unit involved; and (4) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances or as determined by judicial decree. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in Section 27(c) (1) through (6).

(d) The Association shall timely notify each first mortgagee of any condominium unit of the commencement of the condemnation proceedings or eminent domain proceedings and shall notify said mortgagees in the event of the taking of all or any part of the common elements, if the value of the common elements taken exceeds \$10,000.

30. Registration of Mailing Address.

Each owner shall register his mailing address with the Association and notices or demands intended to be served upon an owner shall be sent by mail, postage prepaid, addressed in the name of the owner at such registered address.

31. Period of Condominium Ownership.

The separate condominium estates created by this declaration and the plat shall continue until this declaration is revoked in the manner and as is provided in paragraph 19 of this declaration, or until terminated in the manner and as is provided in subparagraph (c) or (d) of paragraph 27 of this declaration.

32. Assessment Reserves.

Each Owner, other than the Declarant, may, in the discretion of the Association, be required to deposit and to maintain with the Association up to six times the amount of the current estimated monthly common assessments of the Association, without interest, which sums shall be used by the Association as a reserve for paying such owner's common assessment, for purchase of equipment and supplies and for working capital. Such reserve shall be reviewed from time to time, and any deficiency shall be assessed to the owner so that the amount required herein shall be maintained. Such advance payment shall not relieve an owner from making the regular payments of the monthly common assessment as the same come due. Upon the sale of his condominium unit, an owner shall be entitled to a credit from his grantee for any unused portion thereof, and the amount of any deficiency in the reserve account shall be paid to the Association for the purposes herein set forth immediately following such sale. The initial deposit shall be due from the owner at the closing of his purchase.

33. Restrictive Covenants and Obligations.

(a) Except for Declarant, each Owner shall use his Condominium Unit solely for residential purposes, and no business, professional, or other commercial activity of any type shall be operated from or out of any Condominium Unit, Common Element, or Limited Common Element. No Owner shall use nor permit such Owner's Condominium Unit nor any Common Element or Limited Common Element to be used for any purpose which would void any insurance in force with respect to the Project, or which would make it impossible to obtain any insurance required by this Declaration; which would constitute a public or private nuisance, which determination may be made by the Executive Board in its sole discretion; which would constitute a violation of any applicable law, ordinance, rule or regulation (including the Rules and Regulations of the Association); or which would interfere, unreasonably, with the use and occupancy of the Project by other Owners. Unless otherwise approved by Declarant, no part of any curtains, blinds, shades, draperies, or other window coverings visible from the exterior of any Condominium Unit shall be used in any Condominium Unit unless they are white or beige or some other color approved by the Executive Board. No animals or pets shall be permitted on the premises without the written consent of the Association. No campers, motor-homes, inoperative vehicles, trailers, trucks exceeding one ton capacity or any immobile item shall be parked on the parking areas.

(b) Except for Special Declarant rights reserved herein, no buildings or structures shall be moved from other locations onto said premises, and no buildings other than buildings shown on the plat (filed or to be filed) shall be erected, altered, or constructed on the property except by vote of a majority in interest of the condominium unit owners. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or permitted to be kept or stored on any portion of the premises at any time either temporarily or permanently.

(c) No Owner shall have any right to modify, alter, repair, decorate, redecorate, or improve the exterior of any Condominium Unit, or to take such action with respect to the interior or exterior of any of the Common Elements or the Limited Common Elements. Except Declarant, no Owner shall have any right to place any sign in or on any Condominium Unit or elsewhere on the Project without the prior written consent of the Executive Board, and the Board shall have the right to remove any sign so placed without permission.

(d) Each Owner shall have the right to modify, alter, repair, decorate, redecorate, or improve the interior of such Owner's Condominium Unit, provided that such action does not impair the structural integrity, weaken the support, or otherwise adversely affect any of the buildings or any Limited Common Element or Common Element, and provided that all such action is performed in good and workmanlike manner.

(e) Notwithstanding any provisions contained to the contrary, it shall be expressly permissible for the Declarant, its agent, employees and contractors to maintain during the period of construction and sale of the condominium units, upon such portion of the property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of condominium units and interests therein, including, but without limitation, a business office in units owned by Declarant, storage area, construction yard, signs, model units in all units owned by Declarant, sales offices in units owned by Declarant, sales offices in the clubhouse, parking areas and lighting.

(f) Rules and regulations may be adopted by the Board of the Association concerning and governing the use of the common elements and limited common elements and the property owned by the Association. Such rules and regulations shall be furnished to unit owners prior to the time that they become effective. Such rules and regulations shall be uniform and non-discriminatory. The rules and regulations of the Association shall affect only those common elements and limited common elements and the real property and improvements that said Association is obligated by this Declaration to maintain.

(g) Each Owner may lease or sublet such Owner's Condominium Unit for a period of ninety (90) days or more, but only in accordance with the provisions of this Paragraph 33; provided however, the provisions of this Paragraph 33 shall not apply to Declarant, nor shall they apply to any Mortgagee who obtains the ownership of a Condominium Unit pursuant to remedies provided in a Mortgage, or foreclosure thereof, or deed of assignment in lieu of foreclosure. If any Owner, other than those exempted from the operation of this Paragraph 33 by the immediately preceding sentence, shall desire to lease or sublet such Owner's Condominium Unit, the Owner shall first give written notice thereof to the Board, which notice shall set forth the terms and provision of the proposed lease agreement (no lease shall be for less than ninety (90) days) and shall include a copy of the written lease proposed to be executed. Within seven (7) days of the receipt of such notice, the Board shall either approve or disapprove the proposed lease agreement, and in the event of such Board disapproval, such Owner shall have no right to lease or rent the Condominium Unit in question pursuant to such proposed lease agreement, and any such attempted lease shall be void and of no force and effect. The Association may resort to any remedies available to it, including proceeding of forcible entry and detainer and the remedies set out in Paragraph 24 hereinabove, to enforce provisions of this Paragraph 33. The Board, in no event, shall unreasonably withhold its approval of any proposed lease agreement; however, should the Board find that the proposed tenant has a poor credit rating, has received poor references from prior landlords, or if the Board determines that the term of the lease is not adequate, or that the security deposit required thereunder is not adequate to protect the interests of the other Owners in maintaining the integrity of the Project, the Board may

refuse to approve such lease agreement. The foregoing list is illustrative only, and is not an exclusive listing of possible grounds for the withholding of approval of a proposed lease agreement by the Board. In any event, no lease agreement shall be entered into unless and until the proposed tenant thereunder has deposited with the Association, if required by the Board, a good and sufficient security deposit to cover the portion of the Common Expense Charge attributable to such Condominium Unit. The amount of such security deposit shall be set by the Board in a reasonable amount to protect the Association and the other Owners, due regard being given to the credit worthiness of the proposed tenant, the length of the term of the proposed lease, and such other factors as the Board may determine. Nothing in this Paragraph 33 shall be deemed to, construed as, or used in any way to discriminate against any proposed tenant on the account of race, color, creed, sex, or religion.

34. Tax and Assessment Liens.

Real property taxes, special assessments, and any other special taxes or charges of the State of Missouri or any political subdivision thereof, or other lawful taxing or assessing bodies, which are authorized by law to be assessed against and levied upon real property shall be assessed against and levied upon each unit and the owner's corresponding percentage of ownership in the common element as a tract, and not upon the property as a whole.

35. Acceptance of Provisions of all Documents.

A contract for purchase and the conveyance or encumbrance of a condominium unit shall be deemed to include the acceptance of all of the provisions of this declaration, the Articles of Incorporation and Association By-Laws and Rules and Regulations and shall be binding upon the purchaser, grantee or encumbrancer without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

36. Term of Agreement with Developers, Sponsorers or Builder or Management Company or Manager.

Nothing in this declaration shall permit the Association to enter into any agreement for the professional management of the condominium project nor enter into any other contract providing for services of the Declarant, a sales agent or builder which shall exceed one (1) year in duration and which shall not provide for termination without cause and without a termination fee on ninety (90) days (or less) written notice.

37. Transfer of Special Declarant Rights.

Any Special Declarant Rights reserved hereunder may be transferred by Declarant pursuant to the terms of Section 448.3-104 R.S.Mo. 1983.

38. Recreational Facilities.

There are no recreational facilities to be constructed on the condominium created by this Declaration.

39. Recorded Easements.

There are no recorded easements affecting or burdening the property designated herein on Exhibit A except for those described on the Plat recorded herewith.

40. Right of First Refusal.

(a) Any unit owner other than the Declarant who wishes to sell his unit or any interest therein to any person shall give to the Board of the Association not less than thirty (30) days' prior written notice of any such sale, setting forth in detail the terms of any contemplated sale, which notice shall specify the name and address of the proposed purchaser, and such other information as the Board shall reasonably require. The members of the Board and their successors in office shall have the first right and option to purchase such unit or interest therein upon the same terms, which option shall be exercisable for a period of thirty (30) days after receipt of such notice. If said option is not exercised by the Board of the Association

within said thirty (30) days, the unit owner may, at the expiration of said thirty (30) day period, contract to sell such unit or interest therein to the proposed purchaser, named in such notice upon the terms specified therein.

(b) The Board of the Association shall not exercise any option hereinabove set forth to purchase any unit without the prior written consent of 66-2/3 percent of the unit owners. The members of the Board or their duly authorized representatives may bid to purchase at any auction or sale of the unit or interest therein of any unit owner, deceased or living, which said sale is held pursuant to an order or direction of a court, upon the prior written consent of 66-2/3 percent of the unit owners, which said consent shall set forth a maximum price which the Board is authorized to bid and pay for said unit or interest therein.

(c) Upon the written consent of all the members of either Board, any of the options contained in this Paragraph 40 may be released or waived and the unit or interest therein which is subject to an option set forth in this Paragraph may be sold, conveyed, leased, given or devised free and clear of the provisions of this Paragraph.

(d) The terms of this Paragraph 40 hereinabove contained, shall not be applicable to the transfer by gift, sale, testate or intestate succession, operation of law, or otherwise, of the interest of a co-owner of any unit to any other co-owner of the same unit, where such co-owners hold title to such unit as tenants in common or as joint tenants.

(e) Acquisition of units or interest therein under the provisions of this Paragraph shall be made from the maintenance fund. If said fund is insufficient, the Board, in its discretion, may borrow money to finance the acquisition of a unit or interest therein which said acquisition is authorized by this Paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the property other than the unit or interest therein to be acquired.

(f) Units or interests therein acquired pursuant to the terms of this Paragraph shall be held of record in the name of the Association and its successors such nominee or entity as the Board shall designate, for the use and benefit of all the unit owners. Said units or interests therein shall be sold or leased by the Board for the benefit of the unit owners upon such price and terms as the Board shall determine. All proceeds of such sale and/or leasing shall be deposited in the maintenance fund and may thereafter be disbursed at such time and in such manner as the Board shall determine.

(g) The provisions of this Paragraph 40 shall not apply to any first mortgagee who shall become a unit owner by foreclosure nor shall it prohibit said first mortgagee from accepting a deed or assignment in lieu of foreclosure and shall not apply to any resale, transfer or lease of a unit acquired in the foregoing manner.

41. General.

(a) If any of the provisions of this declaration or any paragraph, sentence, clauses, phrase or word, or the application thereof in any circumstances be invalidated, such validity of the remainder of this declaration and the application of any such provision, paragraph, sentence, clause, phrase or work in any other circumstance shall not be affected thereby.

(b) The provisions of this declaration shall be in addition to and supplemental to the Uniform Condominium Act of the State of Missouri and to all provisions of the law. Should any provisions of this Declaration conflict with the Missouri Uniform Condominium Act, the provisions of the Act shall control.

(c) Paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

IN WITNESS WHEREOF, this Declaration was executed the 3rd day of January, 1989.

SUNSET COVE, LTD., a Missouri Corporation

By Michael H. Ingram
Michael H. Ingram, President

ATTEST:

William D. Sheppard
William D. Sheppard, Secretary

STATE OF MISSOURI }
COUNTY OF GREENE } ss.

On this 3rd day of January, 1989, before me appeared Michael H. Ingram, to me personally known, who, being by me duly sworn did say: that he is the President, of Sunset Cove, Ltd. a corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Michael H. Ingram acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at my office in Springfield, Missouri the day and year first above written.

Linda McManey
Notary Public

My Commission expires:
Linda McManey Notary Public
Greene County State of Missouri
My Commission Expires Apr. 26, 1992

CONSENT OF LENDER

Great Southern S & L Banking of Springfield, Missouri, as holder of the Note and Deed of Trust dated _____, 19____ and filed for record in Book _____ at Pages _____ in the office of Recorder of Deeds, Stone County, Missouri, executed by Sunset Cove, Ltd. does hereby consent to this Declaration and the Exhibits attached hereto.

(SEAL)

ATTEST:

Great Southern S & L Banking

By: _____
Secretary

By: _____
President

STATE OF MISSOURI

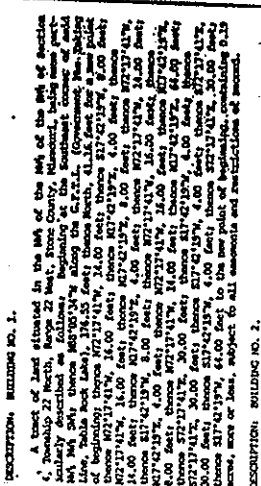
COUNTY OF _____ } ss.

On this _____ day of _____, 1989, before me appeared _____, to me personally known, who, being by me duly sworn did say: that he is the President of Great Southern S & L Banking, a corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal at my office in Springfield, Missouri the day and year first above written.

Notary Public

My commission expires: _____

[illegible]

SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT AT THE REQUEST OF:
BARNETT CORP. LTD. I HAVE MADE AN ACTUAL AND
ACCURATE SURVEY OF THE LAND DESCRIBED HEREON AND
FOUND THE CONDITIONS TO BE
AS INVOKED.

	VICINITY MAP 0 20 MI N		LEGEND ▲: COE MONUMENT ○: EAST RAIL MON PAV ○: SET RAIL MON PAV ○: SET RAIL MON PAV ○: P.C. S.T. or P.L. ○: P.C. S.T. or P.L.		REFERENCES:	
	DATE:		M.S.		SCALE: 1" = 10'	
SUMMITED FOR:		EDGIE D. WOLFE, L.S. (ING)				
ROZELL ENGINEERING CO.		BENNY T. ROZELL, P.E. EDGIE D. WOLFE, L.S. SHARLOT, MISSISSIPPI PHONE: (601) 334-4471				

EXHIBIT "B"

SUNSET COVE CONDOMINIUMS

PHASE 1

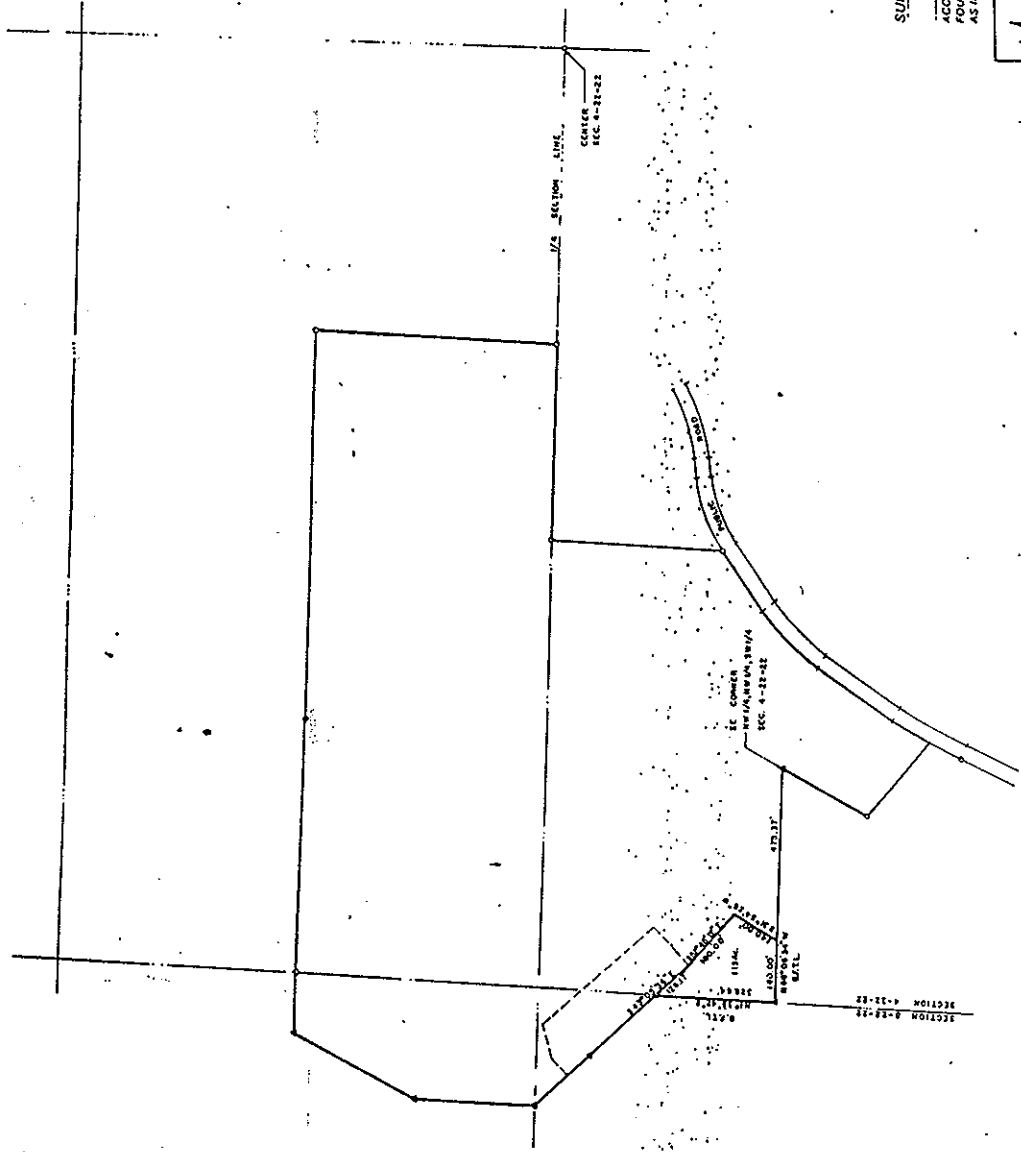
<u>UNIT NUMBER</u>	<u>BLDG. NUMBER</u>	<u>% UNDIVIDED INTEREST</u>
101	1	3.57
102	1	3.57
103	1	3.57
104	1	3.57
105	1	3.57
106	1	3.57
107	1	3.57
108	1	3.57
109	1	3.57
110	1	3.57
201	2	3.57
202	2	3.57
203	2	3.57
204	2	3.57
205	2	3.57
206	2	3.57
207	2	3.57
208	2	3.57
209	2	3.57
210	2	3.57

SUNSET COVE TOWNHOMES - First Addition

<u>UNIT NUMBER</u>	<u>BLDG. NUMBER</u>	<u>% UNDIVIDED INTEREST</u>
1	A	3.57
2	A	3.57
3	A	3.57
4	A	3.57
5	B	3.58
6	B	3.58
7	B	3.58
8	B	3.58
Total:		<u>100%</u>

DESCRIPTION: Clubhouse Area 1.15 Acres.

A tract of land situated in the NW 1/4 of the SW 1/4 of Fractional Section 4, Township 22 North, Range 22 West, Sioux County, Iowa, being more particularly described as follows: Beginning at the NE corner of said Section 4, said point being on the C.F.T.L. (Government) the bearing line of Table Rock Ledge; thence S85°05'14"W along said C.F.T.L. 475.77 feet to a new point of beginning; thence S85°05'14"W 81°55'14"E along said C.F.T.L. 318.44 feet; thence S41°05'35"E 126.17 feet; thence S51°45'12"E 190.00 feet; thence S31°54'25"W 146.00 feet to the new point of beginning, containing 1.15 acres, more or less.



SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT AT THE REQUEST OF:
 EDDIE D. ROZELL JR.
 I HAVE MADE AN ACTUAL AND
 ACCURATE SURVEY OF THE LAND DESCRIBED HEREON AND
 FOUND THE CONDITIONS TO BE
 AS INDICATED

EDDIE D. ROZELL JR.
 LICENSE NO. 2160

VICINITY MAP

LEGEND

- △: COR. MONUMENT
- : EXIST. IRON PIN
- : SET IRON PIN
- : SET IRON PIN
- : SET IRON PIN

REFERENCES:

ROZELL ENGINEERING CO.
 BENNY T. ROZELL, P.E.
 EDDIE D. ROZELL, JR., P.E.
 1000 N. MAIN ST.
 EMMISON, MISSOURI 64518
 PHONE: (417) 334-4441