

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BRIDGEWOOD PLACE HOMES ASSOCIATION,
A PLANNED DEVELOPMENT

WHEREFORE, Developer is the owner of the property described in the plat of BRIDGEWOOD PLACE, which is a subdivision located in the City of Nixa, Christian County, *P O Box 1950 - Nixa, MO 65714* Missouri, and desires to impose upon said lands and improvements now or hereafter constructed thereon, certain mutual and beneficial covenants, conditions and restrictions for the preservation and enhancement of the value, desirability and enjoyment thereof, which shall run with the land and bind and inure to the benefit of the Developer and all subsequent owners thereof; and

WHEREAS, Developer has deemed it desirable and necessary that an agency be created for purposes of certain ownership, operation, maintenance and administration rights, duties and obligations hereinafter set forth and has participated in the formation of Bridgewood Place Homes Association, a Missouri Corporation, hereinafter called "Association," for the purpose of exercising the functions aforesaid:

NOW THEREFORE, Developer hereby declares that the real property described in Article 2 hereof is hereby made subject to the provisions of this Declaration, and said property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions and restrictions hereafter set forth, which shall run with the land and be binding on all present and future owners of said real property.

ARTICLE 1: DEFINITIONS. In addition to other definitions herein provided and except where it is clearly evident from the context that a different meaning is intended, the following terms shall have the following meanings when used herein:

[A] "Declaration" means this instrument as amended from time to time in the manner herein provided.

P. BRUCE HARRIS
RECORDER OF DEEDS
CHRISTIAN COUNTY
Filed Jan 23rd 1996
1:30 PM

- [B] "Developer" means Preferred Properties, Inc., its successors and assigns.
- [C] "Development Period" means that period of time that Developer retains ownership of 20% or more of the lots or residences within the development or 12:00 o'clock midnight on the 31st day of December, 1998, whichever first occurs.
- [D] "Association" means Bridgewood Homes Association, a Missouri Corporation, its successors and assigns.
- [E] "Project" means all real property concurrently herewith or in the future submitted to this Declaration and any improvements now or hereafter constructed thereon.
- [F] "Unit" means any residence in the Project and the tract of land on which the residence is situated within the boundaries of the Unit as reflected by the recorded plat thereof.
- [G] "Member" means all those persons or entities who are members of the Bridgewood Place Homes Association, as hereafter provided.
- [H] "Owner" means any person, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning a Unit.
- [I] "Occupant" means any person or persons in possession of a Unit.
- [J] "Common Elements" means any property, real, personal or mixed, located within the boundaries of the Project, but not included within a Unit boundary, to be owned by the Association and intended to be devoted to the common use and enjoyment of the owners.
- [K] "Utility Easements" shall mean and refer to those areas of land designated for such purposes on any recorded subdivision plat of the Project, or as may be provided in or by this Declaration or any Supplemental Declaration.
- [L] "Common Expense" means all expenses incurred by the Association for maintenance,

repair, replacement, operation, management and administration of the Project. Any expenses which are the specific responsibility of an individual owner may be paid by the Association as a Common Expense and charged to the responsible Owner as a Personal Charge for reimbursement.

[M] "Assessment" mean such amounts as are required by the association for payment of the Common Expenses and Capital Improvements and levied against the Owners by the Association therefor.

[N] "Personal Charge" means any expense or charge of the Association for which a specific Owner is liable.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

Existing Property. The existing real property which is and which shall be held, transferred, sold, conveyed, hypothecated, encumbered and occupied subject to this Declaration is located and situated in the City of Nixa and the County of Christian, State of Missouri, to wit:

Bridgewood Place, a subdivision in the City of Nixa, Christian County, Missouri.

ARTICLE III. THE ASSOCIATION.

Section 1. General Powers and Duties. The operating entity of the Project shall be the Association. The Association shall have all powers and duties set forth in this Declaration, its Articles of Incorporation and Bylaws, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by its Board of Directors as advisable or necessary to carry out its functions, including the obligation and duty to maintain the Common Elements. Every Owner shall be bound by this Declaration, the Association Articles of Incorporation, Bylaws and Rules and Regulations, and the above set forth laws,

statutes, ordinances and governmental rules and regulations.

Section 2. Specific Powers and Duties. Without limitation of the foregoing General Powers and Duties, the Association is expressly authorized in its discretion and on behalf of the Owners to do any or all of the following:

- [A] To adopt, amend, publish and enforce reasonable Rules and Regulations relating to the possession, use and enjoyment of the Project.
- [B] To obtain legal, accounting, contracting and other professional services necessary or desirable for the operation of the Project.
- [C] To obtain insurance coverage for the Common Elements which may include, but is not limited to, fire and extended coverage, vandalism and malicious mischief, personal property damage, comprehensive general liability, hired and non-owned automobile coverage, workmen's compensation, and such other coverage as the Board of Directors of the Association shall from time to time determine to be necessary, desirable or advisable.
- [D] To levy, collect and enforce Assessments in the manner provided in this Declaration in order to pay the Common Expenses and Capital Improvements of the Project.
- [E] To cause an external audit by an independent public accountant to be conducted for the accounts and financial records of the Association.
- [F] To cause to be opened and maintained such accounts as are necessary or desirable in banks and savings and loan associations for deposit of funds of the Association.
- [G] To enter upon and within any property in the Project at any time reasonable under the circumstances for any purpose reasonably related to the performance of its rights, duties and obligations in connection with the Project.

[H] To repair, maintain, replace or repaint any and all Common Elements and to acquire equipment, materials, supplies, personnel or equipment necessary or proper in connection therewith.

[I] To enter into contracts with and delegate authority to a management agent for all or any portion of the rights, duties and obligations of the Association.

[J] To do all other lawful things or acts deemed by the Board of Directors of the Association to be necessary, desirable or appropriate for the administration, operation and maintenance of the Project.

[K] The Association shall be obligated to maintain the common elements.

Section 3. Limited Liability. Neither the Association nor any managing agent shall be responsible for acts or omissions to act which do not amount to gross negligence or willful misconduct or for the acts or omissions to act for any Owner or for the breach of any obligation of any Owner, notwithstanding the duty of the Association to maintain and repair parts of the Project and the Common Elements therein. The Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other Owners, occupants or persons.

ARTICLE IV. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Developer, its successors and assigns, as to any and every Unit owned by the Developer, and each Owner shall be a member of the Association and shall remain a Member until they cease to be an Owner. The membership of each Owner in the Association is appurtenant to and inseparable from his ownership of a Unit and shall be automatically transferred upon any transfer or conveyance of the Unit to any transferee or

grantee authorized herein or by the Association, provided, however, this provision shall not be applicable to any such transfer or conveyance merely for the purpose of securing the performance of an obligation.

Section 2. Voting Rights. During the development period, every member of the Association, other than the Developer, shall be entitled to one (1) vote for each Unit owned and the Developer shall be entitled to ten (10) votes for each lot or unit owned.

A vote as to any Unit is not divisible and when more than one person or entity owns a single Unit, their vote shall be exercised as they among themselves determine in accordance with, and subject to the provisions and restrictions set forth in the Bylaws of the Association.

ARTICLE V. PROPERTY RIGHTS IN COMMON ELEMENTS

Section 1. Ownership by Association. All property acquired by the Association, whether real, personal or mixed, shall be held, utilized and disposed of by the Association as Common Elements for the use and benefit of the Owners with the Project. Except as otherwise specifically provided in this Declaration, any expense of the Association for acquisition, ownership, administration, maintenance, operation, repair or replacement of the Common Elements shall be treated as and paid for as part of the Common Expense of the Association.

Section 2. Conveyance by Developer. It is contemplated that the Developer shall construct or provide the initial improvements on the Common Elements within the Project. The Developer shall, within a reasonable time after the completion of construction of any Improvements which the Developer intends to locate thereon, cause to be conveyed to the Association, free from any encumbrances or liens, the lands to become Common Elements. The Developer shall be the sole judge as to the time when such improvements, if any, shall be

constructed or provided and if the Developer shall decide that it is not economically feasible to construct or provide all or any portion of such, due to the failure to sell sufficient Units, it shall not be obligated to construct or provide same. The cost of ownership, administration, maintenance, operation, taxes and other expenses incident thereto after construction or installation and conveyance to the Association shall be the obligation of the Association and shall be paid from Assessments as herein provided.

Section 3. Owners Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Elements and such easements shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- [A] The right of the Association to limit the number of guests of owners;
- [B] The right of the Association to charge reasonable admission and other fees for the use of any recreational facility or other Improvements situated upon the Common Elements;
- [C] The right of the Association to borrow money for the purpose of improving the Common Elements and in aid thereof to mortgage said property, provided the rights of such mortgage in said properties shall be subordinate to the rights of the Owners hereunder until there should be a default under said mortgage or deed of trust;
- [D] The right of the Association to suspend the voting rights and use of Common Elements by an Owner as provided in this Declaration;
- [E] The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument is signed by Members entitled to cast two-thirds of all votes agreeing to

such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance thereof;

[F] The right of the Association to limit as to each Unit the number of members or other person(s) who may be entitled to the benefit of this easement of enjoyment as to the Common Elements and facilities and also to limit the use of particular Common Elements to the extent necessary to prevent crowding.

Section 4. Delegation of Easement of Enjoyment. Notwithstanding anything herein to the contrary, the easement of enjoyment of an Owner may be transferred to a tenant or lessee who shall occupy the Unit of such Owner under a written lease agreement, provided (1) that a copy of such lease agreement is made available to the Association, (2) the Owner shall remain jointly and severally liable with the lessee for any breach of the duties and responsibilities of an Owner under this Declaration, (3) during the period of such lease delegation, the lessee shall have such easement of enjoyment in lieu of the Owner, and (4) such delegation shall be otherwise subject to such reasonable rules and regulations as the Board of Directors of the Association shall determine.

Section 5. Ingress and Egress. Owners shall have as an appurtenance to their Unit, a perpetual easement for Ingress and Egress to and from such Unit over the Common Elements as may be necessary to provide reasonable access to said Units. In the event that any of said easements for ingress and egress shall be encumbered by a mortgage or other lien, such mortgage or other liens shall hereby be subordinated to the access rights of any Owner. Each Owner shall maintain the driveway from the street to his unit and any walk to his unit.

ARTICLES VI: ASSESSMENTS

Section 1. Creation of Lien. Each Owner of a Unit, by Acceptance of a deed therefor, whether or not it shall be so expressed in any such deed, shall be deemed to covenant and agree to pay to the Association: (1) Annual Assessments and (2) Special Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a continuing charge and lien upon the Unit against which each such Assessment is made.

Section 2. Purpose of Assessments. The Assessments levied hereunder by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the project and in particular for the improvement and maintenance of streets, storm water detention, retention and drainage facilities and other properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements and the improvements situated thereupon, including but not limited to, the payment of taxes and insurance thereon, maintenance, repair, replacement and additions thereto, and for the cost of labor, equipment, materials management and supervision thereof.

Section 3. Maximum Annual Assessment. Until January of the year immediately following the date of this instrument, the maximum annual assessment shall be Two Hundred Dollars (\$200.00) per Unit. From and after January 1 of the year immediately following the date of this instrument, the maximum Annual Assessments aforesaid may be increased each year by not more than 20% above the maximum Annual assessment for the previous year by vote of the Board of Directors of the Association and without a vote of the Membership. Unless the

Annual Assessments shall be increased as aforesaid, they shall remain at the rate prevailing for the previous year. From and after January 1 of the year immediately following the date of this instrument, the maximum Annual Assessment may be increased above 20% in any year by a majority vote of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors of the Association may at any time within its discretion fix the Annual Assessments at an amount less than the amounts aforesaid.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments, 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, unexpected repair or replacement of the roads and streets within the Project, even though same may have been dedicated to the public, and also any described capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the votes Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Actions of Members Authorized Under Sections 3 and 4. Written notice of any meeting of the Membership called for the purpose of taking any action authorized under Section 3 or 4 hereof shall be sent to all members not less than 30 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast a majority of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the first such meeting. No such subsequent meeting shall be held more than 60 days

following the preceding meeting.

Section 6. Date of Commencement of Assessments. Annual Assessments shall commence and become due and payable as to each Unit on the first day of the month following the transfer to the Owner by the Developer of a fee interest therein. The first Annual Assessment for each Unit shall be prorated according to the number of months remaining in that calendar year. Written notice of Assessments shall not be required. The due date of any Special Assessment shall be fixed in the resolution authorizing such assessment and may also be payable monthly within the discretion of the Board of Directors. The Association shall, upon demand and for which a reasonable charge may be imposed, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Unit have been paid.

Section 7. Non-Payment of Assessments. If any Assessments are not paid on the date when due, then such Assessments shall become delinquent and the Association shall have the right to declare the entire assessment due and payable, together with such interest thereon and costs of collection thereof as hereinafter provided. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and both actions shall be cumulative and neither shall preclude the other. No Owner may waive or otherwise escape liability for the Assessments by non-use of the Common Elements or abandonment of his Unit. If Assessments have become delinquent and the Association shall declare the entire Assessment due and payable, same shall bear interest from the date of delinquency at any lawful rate as determined from time to time by the Board of Directors of the Association or, if not so determined, the rate of 10% per annum. In the event a judgment is obtained, such judgment shall include interest on the assessments as above provided and a

reasonable attorney's fee to be fixed by the court, together with the costs of the action.

Section 8. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon the properties subject to assessment. While the ordinary sale or transfer of any Unit shall not affect the Assessment lien, the sale or transfer of any Unit which is subject to any first mortgage or deed of trust pursuant to a foreclosure or proceeding in lieu of foreclosure shall extinguish such Assessment lien on transfer. No such sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following property, subject to the Declaration, shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local governmental authority; (b) the Common Elements; (c) utilities; and (d) utility easements and all other easements.

ARTICLE VII. PARTY WALLS, ROOF OVERHANG EASEMENTS, AND CHIMNEY ENCROACHMENT EASEMENTS

Section 1. Party Wall. The following provisions shall apply to party walls within the Project:

[A] General Rules of Law to Apply. Each wall which is built as part of the original construction of the Units and placed on the dividing lines between units shall constitute a Party Wall to the extent not inconsistent with the provisions of this Article, general rules of law regarding Party Walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

[B] Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.

[C] Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and if the other Owner thereafter makes use of the wall, such Owner shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owner to recover for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

[D] 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 such elements.

[E] 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 successors in title.

Section 2. Roof Overhang Easements. In any case where as a part of the original construction of a Unit, the roof or roof overhang shall extend upon or over a Party Wall, the adjoining units or any portion of the Common Elements, then and in such event the Owner of the Unit whereon such unit is constructed, his heirs, successors or assigns, as the case may be, shall have a continuing easement as to the affected Party Wall, adjoining Unit or portion of the Common Elements for the support, permissive use, maintenance and replacement of such roof and roof overhang, provided, however, under no circumstances shall such roof or roof overhang extend over such Party Wall, unit or Common Elements more than five (5) feet.

Section 3. Chimney Encroachment Easements. In any case where as a part of the original construction of a Unit, a chimney shall encroach upon a Party Wall, an adjoining Unit or adjoining Common Elements, then, and in such event, the Owner of the Unit whereon such Unit is constructed, his heirs, successors or assigns, as the case may be, shall have a continuing easement as to the affected Party Wall, adjoining Unit or portion of the Common Elements for the support, permissive use, maintenance and replacement of such chimney, provided however, that under no circumstances shall such chimney extend over such Party Wall, Unit or Common Elements more than five (5) feet.

ARTICLE VIII: ARCHITECTURAL CONTROL COMMITTEE

Except as to original construction by the Developer, no structures shall be commenced, erected or maintained upon the Project, nor shall there be any exterior change or alteration (except a change in the color of any painted surface) to any Unit until and unless the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee of the Board of Directors of the Association. Such Committee shall be composed of three (3) or more representatives appointed by the Board of Directors of the Association. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been properly submitted to it in accordance with reasonable rules and regulations which may be promulgated thereby, approval will not be required and this provision will be deemed to have been fully complied with.

ARTICLE IX: EXTERIOR MAINTENANCE

Section 1. Failure to Maintain by Owner. In the event the Owner of any Unit shall fail to properly provide for exterior maintenance of the structure or maintenance of the landscaping in front of the unit, the Association may, but shall not be obligated to, provide such exterior maintenance as follows: repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, windows, fascia, doors, decks and other exterior improvements, including repainting or staining as needed, and maintaining or replacing landscaping. All owners are encouraged to cooperate specifically with respect to the maintenance and replacement of roofs. If a roof shared by two unit owners is in need of replacement and the owners cannot agree on the replacement of the roof, then the Association will replace the roof pursuant to this section and will assess each owner 50% of the cost of replacement of said roof.

Section 2. Assessment of Costs. The cost of such exterior maintenance shall be assessed against the Unit upon which such maintenance is done and shall be added to and become part of the Annual Assessment to which such Unit is subject as a Personal Charge and as a part of such annual Assessment or charge, it shall be a lien upon said Unit until paid, subject however, to any prior lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided herein for Assessments.

ARTICLE X: USE AND OCCUPANCY RESTRICTIONS

Section 1. Occupancy Restrictions. The Owner of a Unit shall occupy and use his Unit as a private residential dwelling for himself and the members of his family, his social guests, lessees, licensees and invitees, provided, however, leasing or renting of the Unit by an Owner thereof shall be permitted.

Section 2. Use of Common Elements. Any person who is an Owner, together with members of his family, social guests, lessees, tenants, and invitees may use the recreational facilities, if any, and the other Common Elements. Where a corporation is an Owner, the use of said facilities shall be limited at any one time to such persons designated by said corporation who are in actual residence or possession of the Unit and such persons shall be deemed to be the Owner for the purposes of this paragraph.

Section 3. Rules and Regulations. The Association Rules and Regulations shall be posted in conspicuous places within the Project, and a copy thereof given to each Owner or the Association. Notwithstanding anything hereinabove to the contrary, Owners, their family members, invitees, guests, tenants and lessees shall be bound by all such Rules and Regulations.

Section 4. General Appearance and Use.

[A] Owners shall not affix, attach, hang, display or place anything on any exterior walls, doors or windows, or install any clothes lines, garbage racks or garbage pails, awnings or storm shutters, screens, exterior antennas or aerials, or enclosures of any type on the Units without the prior written consent of the Association or Architectural Control Committee.

[B] The use of any street, driveway or parking area (enclosed garages are specifically excepted from this provision) which may be in front of, adjacent to, or part of any unit as a habitual parking place for a commercial vehicle is prohibited. The use of any driveway or parking area, which may be in front of, adjacent to, or part of any unit, as a habitual parking place for any vehicle, is limited to a standard automobile. Specifically, but without limiting the foregoing, recreational vehicles, boats, trailers and commercial vehicle are expressly forbidden from being parked in any street, driveway or parking area, although any such vehicle may be

placed within an enclosed garage. All garage doors shall be closed except as required to be opened for the purposes of ingress and egress.

[C] Owners shall not permit or suffer anything to be done or kept in a Unit which will increase the rate of insurance on other Units or the Common Elements or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor shall the Owners commit or permit any nuisance, immoral or illegal acts in or about the Units or the project.

[D] Except for signs advertising the Unit for sale or rental, Owners shall not exhibit any signs, advertisements or notices of any type on the Common Elements or Units unless prior written consent is obtained from the Association or Architectural Committee.

Section 5. Violations. In the event an Owner violates or threatens to violate any of the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance. In lieu thereof, or in addition thereto, the Association shall have the right to levy a Personal Charge, enforceable in the same manner as Assessments against the Owner and his Unit for such sums as are necessary to enjoin and to restore the affected Unit or Common Elements to good condition and repair.

ARTICLE XI: UTILITY EASEMENTS, ROADS AND STREETS, AND OTHER RESERVATIONS

Section 1. Utilities Reserved. It is contemplated that utilities for the Project shall be furnished by companies so engaged in the vicinity of the Project. Until the Common Elements are conveyed to the Association, the Developer has and retains the exclusive right to negotiate contracts and agreements with such companies under such conditions and for such considerations

as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to, natural, liquified or manufactured gas systems, electrical systems, water systems, sewer systems, sanitation service, telephone systems, and antenna television transmission and distribution facilities.

Section 2. Roads and Streets Reserved. It is contemplated that the streets shall be constructed by the Developer and that those streets, if any, which are not dedicated to the general public will be a part of the Common elements.

Section 3. Recreational Facilities. It is contemplated the Developer may construct as Common Elements certain passive recreational facilities. The cost of maintenance, improvements, operation, taxes and other expenses incident to these Common Elements shall be the obligation of the Association and shall be paid from the Assessments against each Unit as herein provided and also from any fees for the use of the Common Elements. The Developer shall be the sole judge as to the time when such recreational Facilities shall be constructed, and if the Developer shall decide that it is not economically feasible to construct all or a portion of such due to the failure to sell sufficient Units, it shall not be obligated to construct same.

Section 4. Others. All other easements and reservations as reflected on or in the notes of the recorded subdivision plats of lands within the Project or hereafter granted of record by the Developer or the Association, in its sole discretion, as to the Common Elements, shall be binding upon each Owner to the same extent as if set forth herein.

ARTICLE XII: OWNER LIABILITY

Section 1. Any violations of this Declaration, the Association Articles of Incorporation, Bylaws, Rules and Regulations, or any laws statutes, ordinances, or governmental authority rules

and regulations by a family member, guest, lessee, licensee or invitee of any Owner shall be the responsibility of that Owner and all enforcement rights or penalties therefor shall be applicable to said Owner, except as specifically provided to the contrary in such documents or laws statutes, ordinances, or governmental authority rules and regulations.

ARTICLE XIII: SUSPENSION OF VOTING RIGHTS AND EASEMENT OR ENJOYMENT

Section 1. Regular Suspension. Should an Owner become delinquent in the payment of any Assessment or Personal Charge or violate any other provision of this Declaration, the Association Articles of Incorporation, Bylaws or Rules and Regulations, the Association may deny such Owner enjoyment of the Common Elements, including the suspension of voting rights as a member of the Association, until such time as any such delinquent Assessments or Personal Charges and any interest due thereon are paid and any such violations are ceased and any penalties therefor are satisfied.

Section 2. Penalty Suspension. The Association shall further have the right in its sole discretion to impose as a Penalty Suspension for any such violations, the suspension of such easement of enjoyment for a period not to exceed thirty (30) days for any one violation or occurrence. An Owner must be given such notice and such opportunity as is reasonable under the circumstances to refute or explain in person or in writing the charges against him by the Association before any decision of the Association to impose any such Penalty Suspension is enforced.

Section 3. General. Any suspension of rights under these provisions shall not be used as a basis for any reduction of Assessments or other charges payable by such Owner.

ARTICLE XIV: DEVELOPER'S RIGHTS

Section 1. Specific Reservations. In addition to each and every right of Developer as set forth elsewhere in this Declaration, the Developer specifically reserves the following rights:

[A] So long as any Unit is being held by the Developer for sale in the ordinary course of business, Developer may use such portions of the Common Elements as Developer shall determine its sole discretion for the purpose of aiding in the sale of such Units, including the right to use portions of the Common Elements for prospective purchasers and such other persons as Developer determines. Notwithstanding any provisions of this Declaration to the contrary, Developer further reserves and shall have the right to use any Unit owned by it for Model Home purposes in furtherance of its sales program. The foregoing rights shall include the right to display and erect signs, billboards and placards and to store, keep and exhibit same and to exhibit and distribute audio and visual promotional materials upon the Common Elements or in Model Homes.

[B] Developer may rent or lease any unsold units owned by it to third parties on such terms and conditions as Developer may determine and to derive income therefrom. Developer shall, in the event of its use on any unsold units as provided above, be obligated for the annual assessments for that period during which such unit is so rented or leased. Developer shall at no other time be liable for Annual or Special Assessments.

[C] Developer may designate the Board of Directors of the Association until the end of the development period, and said Directors may not be removed by members of the Association. When a vacancy occurs during such development period for any reason, such vacancies shall be filled by the persons designated by the Developer.

[D] Developer may assign, transfer or convey all or any reservations hereunder and upon such assignment, transfer or conveyance, Developer shall immediately be released and discharged as to any and all liability, incident to such reservation, right or obligation.

ARTICLE XV: AMENDMENT OF DECLARATION

Section 1. Owners' Right of Amendment. This Declaration may be amended at any regular or special meeting of Owners, duly called and convened in accordance with the Bylaws, by the affirmative vote of members casting a two-thirds majority of the total votes of members of the Association. Such amendment shall not be effective until certified by the Board of Directors and recorded in the Christian County Recorder's Office. No such amendment shall change the voting rights of any Owner, unless the Owner thereof and all record holders of first deeds of trust thereon shall join in the execution of this amendment. No such amendment shall be passed which shall impair or prejudice the rights and priorities of any first deed of trust or change the provisions of this Declaration with respect to first deeds of trust without the written approval of all note holders secured by first deeds of trust of record, this being a covenant for the benefit of such first note holders and enforceable by them. No such amendment shall change, impair or prejudice the rights and privileges of the Developer without the prior written approval of the Developer

Section 2. Developer's Right of Amendment. Notwithstanding any other provisions of this Declaration, the Developer reserves the following rights of amendment:

[A] The Developer may at any time amend the Declaration as it may determine to be necessary in its sole discretion, or as may be required by any lending institutions to qualify the Project for loans, or as may be required by any public body for any reason, provided that any

such amendment shall not change the rights of holders of first deeds of trust, change any voting rights of Owners or change the size of the Common Elements to the material prejudice of the Owners.

[B] Developer may amend this Declaration in any manner which is, in the sole discretion of Developer, necessary or advisable to clarify the intent of the Developer, eliminate ambiguities herein, or to correct errors in the preparation and recording hereof.

[C] Amendments by the Developer need only be executed and acknowledged by the Developer. The consent of the Owners, the Association, the holder of any lien in the Project, or any other person or entity shall not be required in connection therewith.

Section 3. Governmental Approval of Amendments. Any amendment to this Declaration which would change the terms and conditions of the Planned Development approved by the City of Nixa for the project shall require the written approval of the appropriate governing body before it shall become effective.

ARTICLE XVI: MISCELLANEOUS PROVISIONS

Section 1. Invalidity. If any of the provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association, or any section, clause, phrase, word or the application thereof, in any circumstances, is held invalid, the validity of the remainder of such instruments and the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

Section 2. Notices. Whenever notices are required to be sent hereunder, the same may be delivered to Owners either personally or by mail, addressed to such owners at their place of residence on file with the Association. Proof of such mailing or personal delivery shall be given

by affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association and notices to the Developer shall be delivered in person or by mail to any responsible officer thereof at their respective corporate offices. All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice to the Association office.

Section 3. Genders and Plurals. Whenever the context requires, use of any gender shall be deemed to include all genders, use of the singular shall include the plural and use of the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose to create a uniform plan for the development and operation of the Project.

Section 4. Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied on nor used in construing the meaning or effect of any of the text.

Section 5. Validity of First Liens. Where any mortgage or first deed of trust fails to be a first lien, but it is evident that it is intended to be a first lien, it shall for the purposes of the Declaration be deemed to be a first lien.

Section 6. Flood Plain Information. To the best knowledge, information and belief of the Developer no Unit will be constructed or sold within an area designated by any Federal, State or local agency to be "Flood Prone" as identified by the Federal Insurance Administration, U.S. Department of Housing and Urban Development. As the Units are not believed to be within the flood plain of any 100-year design storm, minimum floor elevations are not required to be reflected on any record plat of the Units. However, each Owner is advised to verify the

most current information available on the status of flooding on the property.

Section 7. Warranties and Representations. The Developer specifically disclaims any intent to have made or to make any warranty or representation in connection with the Project and documents related thereto except as specifically set forth therein and no person shall rely upon any other warranty or representation. Taxes or other charges in connection with the Project are or will be estimates only and no warranty, guaranty, nor representation is made or intended, nor may one be relied upon.

Section 8. Owner Approval. The Owners, by virtue of their execution of a contract for purchase or acceptance of a deed of conveyance of their Units, and other parties by virtue of their occupancy of units, shall be deemed to approve the foregoing and all of the terms, conditions, restrictions, rights, duties and obligations thereof.

Section 9. Governmental Authority. The project is subject to conditions, covenants, limitations, restrictions, reservation and all other matters of record and the rights of the United States, the State of Missouri, the County of Christian and the City of Nixa, and any other governmental or quasi-governmental authority or agency now or hereafter existing, as to any statutes, laws, orders, ordinances, rules or regulations applicable thereto.

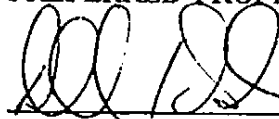
Section 10. Enforcement. Enforcement of this Declaration may be by a proceeding at law or in equity brought by the Association, the Developer or any Owner against any person or persons violating or attempting to violate any covenant, condition, or restriction herein, either to restrain violation or to recover damages against the party in violation or to enforce any lien created by these covenants. Failure by the Association, the Developer or any Owner to enforce any lien, covenant, condition or restriction herein contained shall in no event be deemed a

waiver of the right to do so thereafter.

Section 11. Applicability. All provisions set forth herein shall extend to and be binding on the respective personal representatives, heirs, successors and assigns of all parties mentioned herein where consistent with the context hereof.

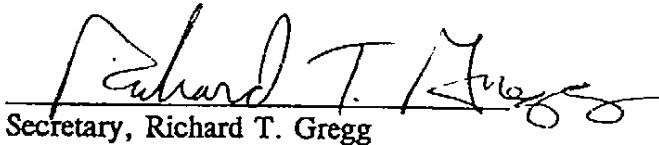
IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its duly authorized corporate officers as of this 23 day of Jan, 1996.

PREFERRED PROPERTIES



By: Dolph K. Woodman, President

ATTEST:


Secretary, Richard T. Gregg

STATE OF MISSOURI)
) ss.
COUNTY Christian)

On this 23rd day of Jan, ¹⁹⁹⁶~~1995~~, before me appeared Dolph K. Woodman, to me personally known, who, being by me duly sworn did say that he is the President of Preferred Properties, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, that said corporation is now in good standing, and 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 in the county of state aforesaid.

Joan McQuerry
Notary Public

My Commission Expires:

JOAN MCQUERRY
NOTARY PUBLIC-NOTARY SEAL
COUNTY OF CHRISTIAN
STATE OF MISSOURI
EXPIRES 1/22/99