

RECORDED SEPTEMBER 10, 2009
BOOK 2009, PAGE 5039
RECORDER OF DEEDS,
MILLER COUNTY, MISSOURI

RECORDED SEPTEMBER 15, 2009
BOOK 683, PAGE 702
RECORDER OF DEEDS,
CAMDEN COUNTY, MISSOURI

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Title of Document: SECOND AMENDED AND RESTATED SUPPLEMENTAL
DECLARATION OF COVENANTS AND RESTRICTIONS FOR
PORTO CIMA TOWNHOUSE PROPERTIES

Date of Document: July 20, 2009

Grantor: Four Seasons Lakesites, Inc.,
a Missouri corporation

Grantor's Address: P.O. Box 430
Lake Ozark, MO 65049

Grantee: Four Seasons Lakesites, Inc.

Grantee's Address: P.O. Box 430
Lake Ozark, MO 65049

Legal Description: Legal Description is contained on Exhibit "A" hereof

Cross Reference: First Amended and Restated Supplemental Declaration of
Covenants and Restrictions for Porto Cima Townhouse Properties,
Book 599, Page 335, Camden County, Missouri.

SECOND AMENDED AND RESTATED
SUPPLEMENTAL DECLARATION OF
COVENANTS AND RESTRICTIONS
FOR PORTO CIMA TOWNHOUSE PROPERTIES

THIS SECOND AMENDED AND RESTATED DECLARATION OF RESTRICTIVE COVENANTS FOR PORTO CIMA TOWNHOUSE PROPERTIES (the "Townhouse Declaration") is made this 20th day of July, 2009, by FOUR SEASONS LAKESITES, INC., a Missouri corporation (the "Developer").

WHEREAS, the Developer acquired certain lands located in Camden County, Missouri for the purpose of development of a residential community now known as The Communities of Four Seasons, and filed in connection therewith a Declaration of Restrictive Covenants which was placed of record on December 4, 1969, in Book 158 at Page 345, in the Office of Recorder of Deeds for Camden County, Missouri, and as subsequently amended (the "Master Declaration"); and

WHEREAS, the Master Declaration provides for the lands subjected thereto to be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the provisions of the Master Declaration in order to further a plan for the development, improvement and sale of lots and for enhancing and protecting the value, desirability and attractiveness thereof. The Four Seasons Lakesites Property Owners Association, Inc., a Missouri nonprofit corporation (the "Lakesites POA"), approved and consented to the Master Declaration for the purpose of indicating its agreement to undertake and carry out the duties and obligations placed upon it by the Master Declaration; and

WHEREAS, the Master Declaration further provides for additional properties of the Developer to be brought within the plan of the Master Declaration in future stages of development by the filing of record of Supplemental Declarations which may contain such complementary additions and modifications of the covenants, conditions and restrictions as might be necessary to reflect the different character, if any, of the added properties; and

WHEREAS, the Developer determined that it was is desirable to include townhouse or garden type living units within the Development and to provide for certain exclusive common properties devoted to the common use and enjoyment of owners of such townhouse or garden type living units who shall be responsible for the cost of maintenance, capital improvements, operation, taxes and other related expenses and, to this end, subjected certain property to the additional covenants, restrictions, easements, charges and liens set forth in Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse properties which was placed of record on October 10, 2000 in Book 503, Page 509 in the Office of the Recorder of Deeds of Camden County, Missouri and was subsequently superseded by the First Amended and Restated Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties which was place of record on March 7, 2005 at Book 2005, Page 1216 in the Office of the Recorder of Deeds, Miller County, Missouri and on March 10, 2005 in Book 599, Page 335 in the Office of the Recorder of Deeds of Camden County, Missouri (the "First Amended

Townhouse Declaration"), each and all of which are for the benefit of said property and each owner thereof; and

WHEREAS, the Developer deemed it necessary and desirable for the efficient construction, operation and maintenance of the exclusive common properties and the preservation of the values and amenities within said townhouse or garden type living areas that an agency be created to which should be delegated and assigned certain construction, maintenance and administration rights, duties and obligations with respect to such exclusive common properties, as well as administering and enforcing the additional covenants and restrictions placed thereon and collecting and delivering the additional assessments and charges therefor; and

WHEREAS, the Developer formed Porto Cima Townhouse Property Owners Association, Inc., a nonprofit corporation organized and existing by virtue of the laws of the State of Missouri (the "Townhouse POA"), with its principal office located at Lake of the Ozarks, Missouri, for the purpose of exercising the functions discussed above; and furthermore, the Townhouse POA joins in the execution of this instrument for the purpose of indicating its agreement to perform the obligations placed upon it by the Master Declaration, the First Amended Townhouse Declaration, and any amendments thereto, any Supplemental Declaration and any Townhouse Supplemental Declaration, whether or not executed by it;

WHEREAS, the Master Declaration was recently completely restated and amended and the Developer has determined that the First Amended Townhouse Declaration should be revised to eliminate conflicts between the Master Declaration as restated and amended and the First Amended Townhouse Declaration by recording this Second Amended and Restated Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties (along with any and all amendments thereto, the "Townhouse Declaration"); and the Lakesites POA and the Townhouse POA agree with such determination;

WHEREAS, the Developer declares that the real property described in Exhibit "A", and any additions as may be made pursuant to Section 2.2, is and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the provisions of the Master Declaration and to the additional covenants, easements, charges and liens set forth in this Townhouse Declaration.

NOW THEREFORE, the Developer, joined by the Townhouse POA for the purposes of indicating its consent, hereby amends the First Amended Townhouse Declaration as follows and rescinds all prior instruments mentioned above to the extent inconsistent with the following Townhouse Declaration.

ARTICLE I DEFINITIONS

In addition to definitions contained in the Master Declaration, which are adopted in their entirety, the terms used in this Townhouse Declaration shall be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as follows:

(1) "Architectural Control Committee" shall mean the architectural control committee of the Townhouse Board or, in the event no such committee is in existence, the rights and responsibilities of the architectural control committee shall be assumed by the Townhouse Board.

(2) "Area of Common Responsibility" means the Townhouse Common Area, together with such other areas, if any, for which the Townhouse POA has or assumes responsibility pursuant to the terms of this Townhouse Declaration, any Townhouse Supplemental Declaration, or other applicable covenants, contracts or agreements.

(3) "Base Townhouse Assessment" means the assessment levied by the Townhouse POA against the Townhouse Owners and Townhouse Units as set forth in Sections 5.5 and 5.6.

(4) "Class "B" Control Period" means the period of time during which the Class "B" Voting Member is entitled to amend this Townhouse Declaration pursuant to its terms.

(5) "Community-Wide Standard" means the standard of conduct, maintenance or other activity generally prevailing at the Porto Cima Townhouse Properties. Developer shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the Porto Cima Townhouse Properties change.

(6) "Developer" means Four Seasons Lakesites, Inc., a Missouri corporation, its successors and assigns.

(7) "Governing Documents" means a collective term referring to this Townhouse Declaration and any applicable Townhouse Supplemental Declaration, the Townhouse By-Laws, the Townhouse Articles, the rules and regulations of the Architectural Control Committee and Board resolutions, all as they may be amended.

(8) "Insurance Trustee" means that Person designated by the Townhouse POA as the trustee to receive insurance proceeds pursuant to Section 8.5.

(9) "Mortgage" means a mortgage, a deed of trust, a deed to secure debt or any other form of security instrument affecting title to any Townhouse Unit.

(10) "Mortgagee" means a beneficiary or holder of a Mortgage.

(11) "Neighborhood" means a group of Townhouse Units designated as a separate Neighborhood pursuant to Section 3.3 for purposes of sharing Townhouse Common Areas and/or receiving other benefits or services from the Townhouse POA which are not provided to all Townhouse Units. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. If the Townhouse POA provides benefits or services to less than all Townhouse Units within a particular Neighborhood, then the benefited Townhouse Units shall constitute a sub-Neighborhood for purposes of determining and levying

Neighborhood Assessments for such benefits or services. Neighborhood boundaries may be established and modified as provided in Section 3.3.

(12) "Neighborhood Assessments" means assessments levied against the Townhouse Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Section 3.3.

(13) "Neighborhood Expenses" means the actual and estimated expenses which the Townhouse POA incurs or expects to incur for the benefit of Townhouse Owners within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may be authorized pursuant to this Townhouse Declaration or in any Townhouse Supplemental Declaration(s) applicable to such Neighborhood(s).

(14) "Master Declaration" means the Declaration of Restrictive Covenants for The Communities of Four Seasons, located on Horseshoe Bend and Shawnee Bend at Lake of the Ozarks, Missouri, placed of record on December 4, 1969, in Book 158 at Page 345, in the Office of the Recorder of Deeds in Camden County, Missouri and as subsequently amended.

(15) "Penalty Suspension" means the suspension levied against a Townhouse Owner as set forth in Section 7.2.

(16) "Person" means a natural person, a corporation, a limited liability company, a partnership, a trustee or any other legal entity.

(17) "Reserved Properties" means any property now or in the future owned by the Developer reserved for annexation to the Townhouse Project pursuant to a Townhouse Supplemental Declaration.

(18) "Special Townhouse Assessment" means the assessment levied by the Townhouse POA against the Townhouse Owners and Townhouse Units as set forth in Section 5.8.

(19) "Specific Townhouse Assessment" means the assessment levied by the Townhouse POA against a specific Townhouse Owner(s) and Townhouse Unit(s) as described in Section 5.9.

(20) "Sub-Association" shall have the meaning set forth in the Master Declaration and for purposes of this Townhouse Declaration only shall be synonymous with "Townhouse Association." Similarly, "Sub-Association Assessments" shall mean "Townhouse Assessments," "Sub-Association Common Area" shall mean "Townhouse Common Area," "Sub-Association Declaration" shall mean "Townhouse Declaration," and "Sub-Association Expenses" shall mean "Townhouse Expenses."

(21) "Townhouse Articles" means the Articles of Incorporation of Porto Cima Townhouse Property Owners Association, Inc., a nonprofit corporation organized and existing by virtue of the laws of the State of Missouri, and as subsequently amended.

(22) "Townhouse Assessments" means such amounts as are required by the Townhouse POA for payment of the Townhouse Expenses and levied against the Townhouse Owners by the Townhouse POA as more particularly described in ARTICLE V.

(23) "Townhouse Board of Directors" or "Townhouse Board" means the body responsible for administration of the Townhouse POA, selected as provided in the Townhouse By-Laws and generally serving the same role as the board of directors under Missouri corporate law.

(24) "Townhouse Builder" means any Person who purchase one or more Townhouse Units for the purpose of constructing improvements for later sale to consumers or parcels of land within the Townhouse Project for further subdivision, development and/or resale in the ordinary course of such person's business and who has been designated as a Townhouse Builder by the Developer in an instrument recorded in the Office of the Recorder of Deeds of Camden County, Missouri, or if applicable, Miller County, Missouri.

(25) "Townhouse By-Laws" means the By-Laws of Porto Cima Townhouse Property Owners Association, Inc., as they may be amended. A copy of the Townhouse By-Laws is attached as Exhibit "B".

(26) "Townhouse Common Area" means all real property now or in the future subjected to this Townhouse Declaration, excluding Townhouse Units, regardless of whether such Townhouse Units have been conveyed.

(27) "Townhouse Declaration" means this Second Amended and Restated Supplemental Declaration of Covenants and Restrictions for the Townhouse Properties as extended or supplemented from time to time.

(28) "Townhouse Expenses" means all expenses incurred by the Townhouse POA for the construction, maintenance, repair, replacement, management and administration of the Townhouse Project and the Townhouse Common Area, together with any expenses which are the specific responsibility of an individual Townhouse Owner which are paid by the Townhouse POA and charged to the responsible Townhouse Owner as a Specific Townhouse Assessment for reimbursement.

(29) "Townhouse Limited Common" or "Townhouse Limited Common Area" means that portion of the Townhouse Common Area allocated solely to the use of the Townhouse Unit to which it is attached according to the applicable Plat of the Townhouse Properties.

(30) "Townhouse Members" means all those persons or entities who are members of the Townhouse POA as hereinafter provided.

(31) "Townhouse Membership" shall mean membership in the Townhouse POA.

(32) "Townhouse Owners" means one or more Persons who holds the record title to any Townhouse Unit in the Townhouse Project, but excluding in all cases any Builder and any party holding an interest merely as a security for the performance of an obligation. The purchaser of a Townhouse Unit will not be considered the Townhouse Owner until the purchase price is paid in full and the deed transferring fee ownership to the purchaser is recorded in the Office of the Recorder of Deeds of Camden County.

(33) "Townhouse POA" means the Porto Cima Townhouse Property Owners Association, Inc., a Missouri nonprofit corporation, its successors and assigns.

(34) "Townhouse Project" means all real property now or in the future subjected to this Townhouse Declaration.

(35) "Townhouse Properties" means any property, real, personal or mixed, owned or leased by the Townhouse POA and intended to be devoted as Townhouse Common Area for the common use and enjoyment of Townhouse Members.

(36) "Townhouse Supplemental Declaration" means a Supplemental Declaration which extends the plan of this Townhouse Declaration as well as the plan of the Master Declaration to the real property described therein and subject hereto and thereto.

(37) "Townhouse Unit" means a portion of the Townhouse Project, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Townhouse Unit as well as any improvements thereon. The term shall include, but not be limited to, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached homes on separately platted lots, as well as vacant land intended for development as such, but shall not include, Townhouse Limited Common Area, Townhouse Common Area or property dedicated to the public. In the case of a building within a town home development, condominium or other structure containing multiple living units, each living unit shall be deemed to be a separate Townhouse Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Townhouse Units designated for residential use for such parcel on the site plan approved by the Developer until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall constitute a separate Townhouse Unit or Townhouse Units as determined above and the number of Townhouse Units on the remaining land, if any, shall continue to be determined in accordance with this Section.

(38) "Voting Members" means those Townhouse Owners authorized to cast the votes for their respective Townhouse Units pursuant to Section 3.2.

ARTICLE II

PROPERTY SUBJECT TO THIS TOWNHOUSE DECLARATION

2.1 Existing Properties. The Developer hereby declares that all of the property described in Exhibit "A" is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to this Townhouse Declaration, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness thereof.

2.2 Additions to Existing Properties. The Developer may subject additional lands to this Townhouse Declaration as set forth below.

(a) The Developer shall have the right, but not the obligation, to bring additional properties within the plan of this Townhouse Declaration in future stages of development regardless of whether said properties are presently owned by the Developer. Such proposed additions, if made, shall become subject to Townhouse Assessments. Under no circumstances shall this Townhouse Declaration or any Townhouse Supplemental Declaration bind the Developer to make the proposed additions or in any way preclude the Developer from conveying the lands not subject to this Townhouse Declaration free and clear of this Townhouse Declaration or any Townhouse Supplemental Declaration.

(b) The additions shall be made by filing of record a Townhouse Supplemental Declaration with respect to the additional property which shall extend the plan of this Townhouse Declaration as well as the plan of the Master Declaration to such property, and the Townhouse Owners, including the Developer, in such additions shall immediately be entitled to all privileges therein and herein provided.

(c) The Townhouse Supplemental Declarations, if any, may contain such additions and modifications of the covenants, conditions and restrictions contained in this Townhouse Declaration as may be necessary in the Developer's discretion to reflect the different character, if any, of the added properties.

2.3 Limitation on Additions. No one other than the Developer shall have the right to subject additional lands to this Townhouse Declaration without the Developer's written consent.

ARTICLE III

TOWNHOUSE POA
MEMBERSHIP AND VOTING RIGHTS

3.1 Townhouse Membership. There shall be two (2) classes of membership in the Townhouse POA, General Membership and Developer Membership. A membership in the Townhouse POA as set forth in this Townhouse Declaration shall not be construed to be a membership in the Porto Cima Townhouse Property Owners Association, Inc. not-for-profit corporation as contemplated by the Missouri Not-For-Profit Corporation Law, Chapter 355 R.S.Mo., as amended, unless such rights are granted to the Townhouse Members in the Townhouse By-Laws.

(a) General Membership. Every Townhouse Owner, other than the Developer, shall be a General Member of the Townhouse POA. General Members shall be entitled to the privileges of Townhouse Membership in the Townhouse POA.

(b) Developer Membership. The Developer shall be the Developer Member of the Townhouse POA so long as it is the Townhouse Owner of any Townhouse Unit. The Developer shall be entitled to the privileges of Townhouse Membership for each Townhouse Unit held by it.

3.2 Voting Rights. There shall be two (2) classes of Townhouse Members for voting purposes.

(a) Class A. Each General Member shall be a "Class A Voting Member" of the Townhouse POA and entitled to one (1) vote for each Townhouse Unit held, provided, however, that should the Developer be entitled to vote for such Townhouse Unit under Section 3.2(b), the Developer's right to vote shall be superior and take precedence over the right of the General Member. When more than one Person holds an interest in a single Townhouse Unit, the vote for such Townhouse Unit shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any such Townhouse Unit.

(b) Class B. The Developer shall be the "Class B Voting Member" of the Townhouse POA and entitled to ten (10) votes for each Townhouse Unit of which it is the owner until such time as it shall cease to be a record owner thereof and shall have been paid in full therefor. The Developer shall continue to have the right to cast votes even though it may have contracted to sell such Townhouse Unit. Further, the Developer shall be entitled to ten (10) votes for each Lot or Townhouse Unit platted and subject to being assessed by the Townhouse POA until the first sale following completion of construction of such Townhouse Unit, whether or not it is the record owner of a fee or undivided fee interest in such Townhouse Unit.

3.3 Neighborhoods.

(a) Requested Services. Any Neighborhood may request that the Townhouse POA provide a higher level of service than which the Townhouse POA generally provides to all Neighborhoods or may request that the Townhouse POA provide special services for the benefit of Townhouse Units in such Neighborhood. Upon the affirmative vote, written consent or a combination thereof, of Townhouse Owners of a majority of the Townhouse Units within the Neighborhood, the Townhouse POA shall provide the requested services.

The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Townhouse Unit to all Neighborhoods receiving the same service), shall be assessed against the Townhouse Units within such Neighborhood as a Neighborhood Assessment.

(b) Necessary Services. In addition, and without vote of the Townhouse Owners, the Board in its reasonable discretion may specifically authorize and levy a Neighborhood Assessment to the extent it is necessary for the maintenance of properties, services or facilities in a Neighborhood, for the recreation, health, safety or welfare of Townhouse Owners or Townhouse Units within a Neighborhood or to insure that the Neighborhood may derive benefits consistent with other Neighborhoods in the Townhouse Project. By way of explanation and not limitation, Neighborhood Assessments may be levied by the Board upon those Neighborhoods receiving services provided to the entire Townhouse Project, but at a level or a cost disparate with other Neighborhoods. The increased costs of such service could then be levied as a Neighborhood Assessment.

(c) Neighborhood Designation. Exhibit "A" to this Townhouse Declaration, and each Townhouse Supplemental Declaration submitting additional property to this Townhouse Declaration, shall initially assign the submitted property to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or newly created. So long as it has the right to subject additional property to this Townhouse Declaration pursuant to Section 2.2, Developer may unilaterally amend this Townhouse Declaration or any Townhouse Supplemental Declaration to redesignate Neighborhood boundaries. However, two (2) or more existing Neighborhoods shall not be combined without the consent of Townhouse Owners of a majority of the Townhouse Units in the affected Neighborhoods.

3.4 Members Easement of Enjoyment. Every Townhouse Member, so long as such Townhouse Membership shall continue, shall have a right and easement of enjoyment in and to the Townhouse Common Area subject to:

(a) the Master Declaration and By-Laws, this Townhouse Declaration and Townhouse By-Laws, any Townhouse Supplemental Declaration and any other applicable covenants;

(b) any restrictions or limitations contained in any deed conveying such property to the Townhouse POA;

(c) the right of the Townhouse POA, in accordance with the Townhouse Articles and Townhouse By-Laws, to borrow money for the purpose of constructing, maintaining and improving the Townhouse Common Area and to mortgage said property or use any leasehold interest therein as security therefor, provided the rights of such mortgagee in said properties shall be subordinate to the rights of the Townhouse Owners hereunder until there shall be a default under said mortgage;

(d) the right of the Townhouse POA to take such steps as are reasonably necessary to protect the Townhouse Common Area against foreclosure;

(e) the right of the Townhouse POA to suspend the enjoyment rights of any Townhouse Member other than the Developer as provided in this Townhouse Declaration;

(f) the right of the Townhouse POA to charge reasonable admission and other fees for the use, service and enjoyment of any recreational facility or other improvements situated upon the Townhouse Common Area;

(g) the right of the Townhouse POA to permit use of any recreational facilities situated in the Townhouse Common Area by persons other than Townhouse Owners, their families, lessees and guests upon payment of use fees established by the Townhouse POA;

(h) the right of the Townhouse POA to adopt rules regulating the use and enjoyment of the Townhouse Common Area, including rules restricting use of recreational facilities within the Townhouse Common Area, to occupants of Townhouse Units and their guests and rules limiting the number of guests who may use the Townhouse Common Area;

(i) the right of the Developer, so long as any Townhouse Unit is held by the Developer, to use such portions of the Townhouse Common Area as the Developer shall determine in its sole discretion for the purpose of aiding in such sales, and to use portions of the Townhouse Common Area for parking for prospective purchasers and such other parties as the Developer determines. Notwithstanding any provision of this Townhouse Declaration to the contrary, the Developer shall further have the right to use any Townhouse Unit owned by it for model home purposes in the furtherance of its sales program. The foregoing rights shall include the right to erect, display, store, keep and exhibit signs, billboards and placards and to exhibit and distribute audio and visual promotional materials upon the Townhouse Common Area or in model homes;

(j) the right of Townhouse Members to the exclusive use of parking spaces as provided in Section 4.9 hereof; and

(k) the right of the Townhouse POA to dedicate or transfer all or any part of the Townhouse Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Townhouse Owners. No such dedication or transfer shall be effective unless an instrument is signed by Townhouse Members entitled to cast a majority of all votes, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Townhouse Member not less than thirty (30) days nor more than sixty (60) days in advance thereof.

3.5 Guests and Delegation of Easement of Enjoyment. The Townhouse POA shall establish reasonable limitations and rules and regulations as to the use of the Townhouse Common Area by guests and invitees of the Townhouse Owners. Notwithstanding anything herein to the contrary, the easement of enjoyment of a Townhouse Owner may be transferred to a tenant or lessee who shall occupy the Townhouse Owner's Unit under a written lease agreement for a term of not less than six (6) months, provided (a) that a copy of such lease agreement is provided to the Townhouse POA; (b) the Townhouse Owner shall remain jointly and severally liable with the lessee for any breach of the duties and responsibilities of the Townhouse Owner under this Townhouse Declaration; (c) during the period of such lease delegation, the lessee shall have such easement of enjoyment in lieu of the Townhouse Owner; and (d) such delegation shall be otherwise subject to such reasonable rules and regulations as the Board of Directors of the Townhouse POA shall from time to time determine. Provided that under no circumstances shall such tenant or lessee succeed to the voting rights of the Townhouse Owner as set forth in ARTICLE III and such voting rights shall remain at all times with the Townhouse Owner.

ARTICLE IV

TOWNHOUSE POA POWERS AND RESPONSIBILITIES

4.1 Townhouse POA Designated. The Townhouse POA is designated as the nonprofit corporation having the powers and duties to provide for the maintenance, capital improvement, operation, taxes and other matters related to the Townhouse Project and as the entity to receive the conveyance of title from the Developer to the Townhouse Common Area and to hold same as set forth herein.

4.2 Townhouse POA Powers and Duties. The operating entity for the Townhouse Common Area within the Townhouse Project shall be the Townhouse POA. The Townhouse POA shall have all powers and duties set forth in the Master Declaration, this Townhouse Declaration, the Townhouse Articles and Townhouse By-Laws, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by the Townhouse POA Board of Directors as advisable or necessary to carry out its functions. Every Townhouse Owner, however ownership was acquired, shall be bound by the Master Declaration, this Townhouse Declaration and the Townhouse Articles, Townhouse By-Laws and rules and regulations, as well as all applicable laws, statutes, ordinances and governmental rules and regulations, including, but not limited to, the power to acquire, hold, lease, operate and dispose of tangible and intangible personal and real property.

4.3 Interest of the Townhouse POA. All property acquired by the Townhouse POA, whether real, personal or mixed, whether owned or leased, shall be held, utilized and disposed of by the Townhouse POA as Townhouse Common Area for the use and benefit of the Townhouse Owners within the Townhouse Project. The Townhouse POA shall be responsible for management, operation and control of the Townhouse Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Townhouse POA. The Board may adopt such reasonable rules regulating use of the Townhouse Common Area as it deems appropriate. Except as otherwise specifically provided in this Townhouse Declaration, any expense of the Townhouse POA for acquisition, ownership, leasing, administration, maintenance, operation, repair or replacement of the Townhouse Common Area shall be treated and paid for as part of the Townhouse Expenses.

4.4 Title to Townhouse Common Area. It is contemplated that the Developer shall, within a reasonable time after the completion of construction of any improvements which the Developer intends to locate on the Townhouse Project, cause the Townhouse Common Area thereon to be conveyed to the Townhouse POA, free from any encumbrances or liens. The Developer shall be the sole judge as to the time when improvements, if any, shall be constructed or provided and as to when, if ever, such lands will be so conveyed. The Developer shall have the right, but not the obligation, to provide additional lands and improvements to the Townhouse POA as Townhouse Common Area and to cause same to be conveyed or transferred to the Townhouse POA as and when the Developer shall in its sole discretion decide. The Townhouse POA may acquire additional lands and improvements as Townhouse Common Area at its own instance, from the Developer or otherwise, upon Developer's prior written approval.

4.5 Maintenance of Area of Common Responsibility. The Townhouse POA shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

- (a) all exteriors of all Townhouse Units, including but not limited to, maintaining, repairing and replacing porches, roofs, gutters, downspouts, exterior building surfaces, windows, fascia, doors, decks and other exterior improvements, including repainting or staining as needed;
- (b) all portions of and structures situated on the Townhouse Common Area, including but not limited to, cutting, trimming, caring for and maintaining trees, shrubs and grass, repairing, replacing and caring for walks and driveways;
- (c) landscaping within public rights-of-way within or abutting the Townhouse Project;
- (d) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Townhouse Declaration, any Townhouse Supplemental Declaration or any contract or agreement for maintenance thereof entered into by the Townhouse POA;

(e) any property and facilities which Developer owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Townhouse POA.

The Townhouse POA may maintain other property it does not own, including, without limitation, property dedicated to the public, if the Townhouse Board determines that such maintenance is necessary or desirable.

The Townhouse POA shall not be liable for any damage or injury occurring on or arising out of the condition of property it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

The costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Townhouse Expense or, if unique to a Neighborhood, shall be a Neighborhood Expense; provided, the Townhouse POA may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Townhouse Declaration, other recorded covenants, or agreements with the owner(s) thereof.

For the sole purpose of performing the maintenance authorized by this ARTICLE IV, the Townhouse POA, through its duly authorized agents or employees, shall have the right of access, after reasonable notice to the Townhouse Owner, to the exterior of any Townhouse Unit at reasonable hours on any day of the week.

4.6 Insurance.

(a) Required Coverages. The Townhouse POA, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Townhouse Common Area and within the Area of Common Responsibility to the extent that the Townhouse POA has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Townhouse POA shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Townhouse POA and its Townhouse Members for damage or injury caused by the negligence of the Townhouse POA or any of its Townhouse Members, employees, agents or contractors while acting on its behalf.

If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least One Million Dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury and property damage; provided, if additional coverage and higher limits are available at reasonable cost which a reasonably prudent person would obtain, the Townhouse POA shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Townhouse POA funds, in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter (1/4) of the annual Base Townhouse Assessments on all Townhouse Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

In addition, the Townhouse POA shall, if so specified in a Townhouse Supplemental Declaration applicable to any Neighborhood, obtain and maintain property insurance on the insurable improvements within such Neighborhood which insurance shall comply with the requirements of Section 4.6(a)(i). Any such policies shall provide for a certificate of insurance to be furnished upon request to the Townhouse Owner of each Townhouse Unit insured.

Premiums for all insurance on the Area of Common Responsibility shall be Townhouse Expenses, except that (i) premiums for property insurance on Townhouse Units within a Neighborhood shall be a Neighborhood Expense; and (ii) premiums for insurance on Townhouse Limited Common Areas may be included in the Neighborhood Expenses of the Neighborhood(s) to which such Townhouse Limited Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Townhouse POA shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Lake Ozark area. All Townhouse POA policies shall provide for a certificate of insurance to be furnished to the Townhouse POA and, upon request, to each Townhouse Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 4.6(a). In the event of an insured loss, the deductible shall be treated as a Townhouse Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Townhouse By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Townhouse Owners, their guests, invitees or lessees, then the Board may assess the full amount of such deductible against such Townhouse Owner(s) and their Townhouse Units as a Specific Townhouse Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Missouri which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Townhouse POA as trustee for the benefited parties. Policies on the Townhouse Common Areas shall be for the benefit of the Townhouse POA and its Townhouse Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Townhouse Owners within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Townhouse Owners, occupants or their Mortgagees individually;

(iv) contain an inflation guard endorsement;

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vi) provide that each Townhouse Owner is an insured person under the policy with respect to liability arising out of such Townhouse Owner's interest in the Townhouse Common Area as a Townhouse Member in the Townhouse POA (provided, this provision shall not be construed as giving a Townhouse Owner any interest in the Townhouse Common Area other than that of a Townhouse Member);

(vii) provide a waiver of subrogation under the policy against any Townhouse Owner or household member of a Townhouse Owner;

(viii) include an endorsement precluding cancellation, invalidation, suspension or non-renewal by the insurer on account of any one or more individual Townhouse Owners, or on account of any curable defect or violation

without prior written demand to the Townhouse POA to cure the defect or violation and allowance of a reasonable time to cure; and

(ix) include an endorsement precluding cancellation, invalidation or condition to recovery under the policy on account of any act or omission of any one or more individual Townhouse Owners, unless such Townhouse Owner is acting within the scope of its authority on behalf of the Townhouse POA.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Townhouse Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Townhouse POA's Board, officers, employees and its manager, the Townhouse Owners and their tenants, servants, agents and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Townhouse Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least thirty (30) days' prior written notice to the Townhouse POA of any cancellation, substantial modification or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Townhouse Common Area or other property which the Townhouse POA is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Townhouse Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total Class "A" Voting Members in the Townhouse POA, and the Class "B" Voting Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Townhouse POA within such sixty (60) day period, then the period shall

be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Townhouse Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Townhouse POA in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Townhouse POA for the benefit of the Townhouse Members or the Townhouse Owners of Townhouse Units within the insured Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Townhouse Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Voting Members, levy Special Townhouse Assessments to cover the shortfall against those Townhouse Owners responsible for the premiums for the applicable insurance coverage under Section 4.6(a).

4.7 Indemnification of Officers, Directors and Others. Subject to Missouri law, the Townhouse POA shall indemnify every officer, director and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he may be a party by reason of being or having been an officer, director or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under the Townhouse Articles and Missouri law.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Townhouse POA (except to the extent that such officers or directors may also be Townhouse Members of the Townhouse POA).

The Townhouse POA shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Townhouse POA shall, as a Townhouse Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.8 Provision of Services. The Townhouse POA may provide, or provide for, services and facilities for the Townhouse Members and their Townhouse Units, and shall be

authorized to enter into and terminate contracts or agreements with other entities, including Developer, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities provided at the option of a Townhouse Owner, or may include the costs thereof in the Townhouse POA's budget as a Townhouse Expense and assess it as part of the Base Townhouse Assessment if provided to all Townhouse Units. By way of example, such services and facilities might include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities and similar services and facilities.

Nothing in this Section shall be construed as a representation by Developer or the Townhouse POA as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing contracts for services in its discretion, unless the provision of such services is otherwise required by the Governing Documents. Non-use of services provided to all Townhouse Owners or Townhouse Units as a Townhouse Expense shall not exempt any Townhouse Owner from the obligation to pay assessments for such services.

4.9 Parking Rights. Subject to reasonable rules and conditions, the Townhouse POA may designate parking spaces on Townhouse Common Area for the exclusive use of specific Townhouse Owners, their families and guests. The use of such spaces by any other Townhouse Member or person may be prohibited and/or enjoined by the Townhouse POA or the Townhouse Owners entitled thereto. The right of the exclusive use of such parking spaces and to their designation by the Townhouse POA shall be appurtenant to and shall pass with title to each such Townhouse Unit.

ARTICLE V

TOWNHOUSE POA FINANCES

5.1 Budgeting and Allocating Townhouse Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Townhouse Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 5.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Townhouse Units, and the amount to be generated through the levy of Base Townhouse Assessments and Special Townhouse Assessments against the Townhouse Units.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Townhouse Assessment to be levied pursuant to such budget, to each Townhouse Owner at least thirty (30) days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by Voting Members representing at least seventy-five percent (75%) of the total Class "A" Voting Members in the Townhouse POA and by the Class "B" Voting Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members. Any such petition must be presented to the Board within ten (10) days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Townhouse Assessment from time to time during the year, subject to the notice requirements and the right of the Voting Members to disapprove the revised budget as set forth above.

5.2 Budgeting and Allocating Neighborhood Expenses. At least sixty (60) days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional services or a higher level of services which the Townhouse Owners in such Neighborhood have approved, necessary costs imposed by the Board and any contribution to be made to a reserve fund pursuant to Section 5.3. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Townhouse Units, and the amount required to be generated through the levy of Neighborhood and Special Townhouse Assessments against the Townhouse Units in such Neighborhood.

The Board shall cause a copy of the Neighborhood budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Townhouse Owner in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Neighborhood by Townhouse Owners of a majority of the Townhouse Units in the Neighborhood to which the Neighborhood Assessment applies. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Townhouse Owners of at least ten (10%) of the Townhouse Units in such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget that are attributable to services requested by the Neighborhood and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

If the proposed budget for any Neighborhood is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the year, subject to the notice requirements and the right of the Townhouse Owners of Townhouse Units in the affected Neighborhood to disapprove the revised budget as set forth above.

All amounts the Townhouse POA collects as Neighborhood Assessments, including Neighborhood reserves, shall be held in trust for and expended solely for the benefit of the

Neighborhood for which they were collected and shall be accounted for separately from the Townhouse POA's general funds.

5.3 Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility and for each Neighborhood for which the Townhouse POA maintains capital items as a Neighborhood Expense. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board shall include in the Townhouse Expense budget adopted pursuant to Section 5.1 or the Neighborhood Expense budgets adopted pursuant to Section 5.2, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect to both amount and timing by annual contributions over the budget period.

5.4 Creation of Assessments. The Townhouse POA is hereby authorized to levy assessments against each Townhouse Unit for Townhouse POA expenses as the Board of Directors of the Townhouse POA may specifically authorize from time to time. The Developer, subject to the provisions hereinafter set forth, for each Townhouse Unit owned by it, hereby covenants, and each Townhouse Owner, other than the Developer, by acceptance of a deed or other instrument thereto conveying a fee or undivided fee interest therein, whether or not it shall be so expressed in any such deed or other instrument, shall be deemed to covenant and agree to pay to the Townhouse POA: (a) Base Townhouse Assessments; (b) Neighborhood Assessments; (c) Special Townhouse Assessments; and (d) Specific Townhouse Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Townhouse Assessments, together with interest and costs of collection, including reasonable attorneys' fees, shall be a continuing charge and lien upon the Townhouse Unit against which each Townhouse Assessment is made. Each Townhouse Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Townhouse Owner at the time when the Townhouse Assessment fell due. The personal obligation for delinquent Townhouse Assessments shall not pass to successors in title unless expressly assumed by them.

5.5 Purpose of Base Townhouse Assessments. The Base Townhouse Assessments shall be levied by the Townhouse POA on an annual basis and shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Townhouse Owners and in particular for the construction, leasing, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Townhouse Common Area and the improvements situated thereupon, including, but not limited to, payment of taxes and insurance on the Townhouse Common Area and the construction, maintenance, repair and replacement thereof or additions thereto, and for the cost of labor, equipment, materials, management and supervision in connection therewith.

5.6 Basis and Maximum of Base Townhouse Assessment and Neighborhood Assessment. From and after January 1st of the year immediately following the date of this Townhouse Declaration, the Base Townhouse Assessment for all Townhouse Units and the Neighborhood Assessment for all Townhouse Units in a Neighborhood may be increased each year above the Base Townhouse Assessment or the Neighborhood Assessment respectively, for

the previous year by majority vote of the Board of Directors of the Townhouse POA and without a vote of the Townhouse Membership; provided, however, that such increase shall not in any one year exceed the greater of five percent (5%), rounded to the nearest whole dollar amount, or increases in the Consumer Price Index for the twelve (12) month period ending June 30th of the preceding year using the "All Urban Consumers, U.S. City Average" for "General Summary, All Items" as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor, rounded to the nearest whole dollar amount, or, if such is not available, any other reliable governmental or other non-partisan publication evaluating similar information. If either the Base Townhouse Assessment or the Neighborhood Assessment shall not be increased, it shall remain at the rate prevailing for the previous year. From and after January 1st of the year immediately following the date of this Townhouse Declaration, the Base Townhouse Assessment may be changed prospectively in any year, without limitation on the amount of such change, by a majority vote of each class of Townhouse Members, voting in person or by proxy at a meeting duly called for this purpose. From and after January 1st of the year immediately following the date of this Townhouse Declaration, the Neighborhood Assessment may be changed prospectively in any year, without limitation on the amount of such change, by a majority vote of each class of Townhouse Members owning Townhouse Units in the Neighborhood, voting in person or by proxy at a meeting duly called for this purpose. Any such increase shall be a fixed percentage of all Base Townhouse Assessments or Neighborhood Assessments respectively, each rounded to the nearest whole dollar amount. The Board of Directors of the Townhouse POA may at any time after consideration of current income and expense and the future income requirements of the Lakesites POA, within its discretion, fix the Base Townhouse Assessment or any Neighborhood Assessment at an amount less than the amounts aforesaid. The Townhouse POA shall have the right but not be obligated to collect the Base Townhouse Assessment and any Neighborhood Assessment in yearly or monthly increments. Notwithstanding anything to the contrary contained herein, the initial Neighborhood Assessment may be established at such a level to satisfy Neighborhood Expenses as described in Sections 3.3 and 5.2 without regard for whether such assessment, in combination with an increased Base Townhouse Assessment, would increase a Townhouse Unit's overall combined assessments more than five percent (5%).

5.7 Neighborhood Assessments. The Townhouse POA is hereby authorized to levy Neighborhood Assessments against all Townhouse Units in a Neighborhood which are subject to assessment under Section 5.4 to fund Neighborhood Expenses; provided, if so specified in the applicable Townhouse Supplemental Declaration, directed by petition signed by a majority of the Townhouse Owners within the Neighborhood or determined by the Board, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, replacement reserves or otherwise which pertain to particular structures within a Neighborhood, shall be levied on each of the benefited Townhouse Units in proportion to the benefit received.

5.8 Special Townhouse Assessments. In addition to the Base Townhouse Assessments and Neighborhood Assessments, the Townhouse POA may levy Special Townhouse Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any Special Townhouse Assessment shall require the assent of a majority vote of each class of Townhouse Members, voting in person or by proxy at a meeting duly called for this purpose. Special Townhouse Assessments shall be payable in such manner and at such

times as determined by the Townhouse POA and may be payable in installments extending beyond the fiscal year in which the Special Townhouse Assessment is approved.

5.9 Specific Townhouse Assessments. The Townhouse POA shall have the power to levy Specific Townhouse Assessments against a particular Townhouse Unit or Townhouse Units constituting less than all Townhouse Units within the Townhouse Properties as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items or services to the Townhouse Unit or occupants thereof upon request of the Townhouse Owner pursuant to a menu of special services which the Townhouse POA may from time to time authorize to be offered to Townhouse Owners (which might include, without limitation, handyman service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Townhouse Owner; and

(b) to cover costs incurred in bringing the Townhouse Unit into compliance with the terms of the Master Declaration, this Townhouse Declaration, any applicable Townhouse Supplemental Declaration, the Townhouse By-Laws or rules, or costs incurred as a consequence of the conduct of the Townhouse Owner or occupants of the Townhouse Unit, their licensees, invitees or guests; provided, the Townhouse POA shall give the Townhouse Owner prior written notice and an opportunity for a hearing before levying any Specific Townhouse Assessment under this Section 5.9(b).

5.10 Notice and Quorum for Any Action of Townhouse Members Authorized Under Sections 5.6 and 5.8. Written notice of any meeting of the Townhouse Membership called for the purpose of taking any action authorized under Sections 5.6 or 5.8 shall be sent to all Townhouse Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Townhouse Members or of proxies entitled to cast a majority of all votes of each class of Townhouse Members 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 (1/2) of the required quorum of each class for the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

5.11 Commencement of Townhouse Assessments and Application to Townhouse Units. Base Townhouse Assessments shall commence and become due and payable as to each Townhouse Unit within the Townhouse Project on the date fixed by the Townhouse POA; provided, however, no Townhouse Assessments shall be applicable to or payable with respect to any Townhouse Unit until the first day of the month following sale by the Developer and a conveyance of the Townhouse Unit to the purchaser. Each initial Base Townhouse Assessment on a Townhouse Unit shall be prorated according to the number of months remaining in that calendar year. Written notice of Townhouse Assessments shall not be required. The due date of any Neighborhood Assessment or Special Townhouse Assessment shall be fixed in the resolution authorizing such Townhouse Assessment and may also be payable monthly within the discretion of the Townhouse POA. The Townhouse POA shall, upon demand and for which a reasonable charge may be imposed, furnish a certificate signed by an officer of the Townhouse POA setting

forth whether the Townhouse Assessments on a specified Townhouse Unit have been paid, which certificate shall be conclusive evidence of payment of any Townhouse Assessments.

5.12 Non-Payment of Townhouse Assessments. If any Townhouse Assessment is not paid on the date when due, then the Townhouse Assessment shall become delinquent and the Townhouse POA shall have the right to declare the Townhouse Assessment for the entire year due and payable, together with interest thereon and costs of collection. The Townhouse POA may bring an action at law against the Townhouse 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 Townhouse Owner may waive or otherwise escape liability for the Townhouse Assessments by non-use of the Townhouse Common Area or abandonment. All liens for Townhouse Assessments shall be superior to liens of the Lakesites POA against the Townhouse Owner for nonpayment of assessments and both liens shall be superior to all other liens recorded subsequent to notice of the assessments, except (a) the liens of all taxes, bonds, assessments and other levies which by law would be superior; and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

If Townhouse Assessments have become delinquent, such Townhouse Assessments shall bind such property in the hands of the then Townhouse Owner, his heirs, devisees, personal representatives, successors and assigns. Such delinquent Townhouse Assessments 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 Townhouse POA or, if not so determined, the rate of ten percent (10%) per annum. In the event a judgment is obtained, such judgment shall include interest on the Townhouse Assessments as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

5.13 Subordination of the Lien to Mortgages. The lien of the Townhouse Assessments provided for herein shall be subordinate to the lien of any first Mortgage or deed of trust now or hereafter placed upon the Townhouse Unit subject to the Townhouse Assessments. While an ordinary sale or transfer shall not affect the Townhouse Assessment lien, any sale or transfer which is subject to any first Mortgage or deed of trust pursuant to a decree of foreclosure or proceeding in lieu of foreclosure shall extinguish the lien of such Townhouse Assessments which became due prior to such sale or transfer. Any excess funds from such foreclosure sale shall be applied to unpaid Townhouse Assessments. No such sale or transfer shall relieve such Townhouse Unit from liability for any Townhouse Assessments thereafter becoming due or from the subsequent lien except with respect to any future decree of foreclosure or proceeding in lieu of foreclosure.

5.14 Exempt Property. The following property subject to this Townhouse Declaration shall be exempt from the Townhouse Assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Townhouse Limited Common Area; (c) the Townhouse Common Area; (d) utilities; (e) utility easements and all other easements; (f) any Reserved Properties; and (g) any Townhouse Unit owned or held by the Developer prior to the initial sale and conveyance thereof by the Developer.

5.15 Delegation of Collection of Townhouse Assessments. The Townhouse POA may delegate the collection of the Townhouse Assessments to the Developer, the Lakesites POA, its successors and assigns, or to any other third party, to be accomplished at the expense of the Townhouse POA.

ARTICLE VI

TOWNHOUSE OWNER LIABILITY

Any violation of this Townhouse Declaration, any Townhouse Supplemental Declaration, the Townhouse Articles, the Townhouse By-Laws and rules and regulations, or any laws, statutes, ordinances or governmental authority rules and regulations, by a Townhouse Owner, other than the Developer, or by any family member, guest, lessee, licensee or invitee of any Townhouse Owner, other than the Developer, shall be the responsibility of that Townhouse Owner and all enforcement rights or penalties for the violation shall be applicable to said Townhouse Owner, except as specifically provided to the contrary in such documents or laws, statutes, ordinances or governmental authority rules and regulations.

In the event a Townhouse Owner violates or threatens to violate any of the provisions of this Townhouse Declaration, the Townhouse POA shall have the right to proceed in any appropriate court for an injunction to seek compliance. In lieu thereof, or in addition thereto, the Townhouse POA shall have the right to levy a Specific Townhouse Assessment, enforceable in the same manner as Townhouse Assessments, against the Townhouse Owner and his Townhouse Unit for such sums as are necessary to enjoin any violation or to remove any unauthorized addition or alteration and to restore the affected property to good condition and repair.

ARTICLE VII

SUSPENSION OF VOTING RIGHTS AND EASEMENT OF ENJOYMENT

7.1 Regular Suspension. Should a Townhouse Owner other than the Developer become delinquent in the payment of any Townhouse Assessment or violate any other provision of this Townhouse Declaration, any Townhouse Supplemental Declaration, or the Townhouse Articles, Townhouse By-Laws or rules and regulations, the Board of Directors of the Townhouse POA may deny such Townhouse Owner his Townhouse Membership voting rights as well as enjoyment of the Townhouse Common Area until such time as the delinquent Townhouse Assessments and any interest due are paid, any such violations are ceased and any penalties are satisfied. Suspension of Townhouse POA privileges shall also entitle the Lakesites POA to suspend such member's privileges under the Master Declaration.

7.2 Penalty Suspension. The Board of Directors of the Townhouse POA shall further have the right, in its sole discretion, to impose as a penalty for any such violations the suspension of such Townhouse Owner's easement of enjoyment of the Townhouse Common Area amenities for a period not to exceed thirty (30) days for any one violation or occurrence. A Townhouse Owner must be given such notice and opportunity as is reasonable under the circumstances to

refute or explain in person or in writing the charges against him before any decision to impose any such penalty is enforced.

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

ARTICLE VIII

RESTRICTIVE COVENANTS

Every provision of use guidelines and restrictive covenants of the Master Declaration shall apply as fully hereto as if same were set forth herein word for word to the extent they are not in conflict with the rights, obligations, covenants and terms contained in this Townhouse Declaration. The following additional provisions are applicable to the Townhouse Project.

8.1 Permissive Use. The Lakesites POA shall have the right to use the Townhouse Common Area for the purpose of fulfilling its obligations and duties under the Master Declaration, for accomplishing its purposes as set forth in its Articles of Incorporation and By-Laws, and for exercising any contractual duty which exists by reason of a contract between the Lakesites POA and the Townhouse Owners, their heirs, successors and assigns, any representative designated by them or the Townhouse POA.

For the sole purpose of performing the above obligations, the Lakesites POA, through its duly authorized agents or employees, shall have the right of access, after reasonable notice to the Townhouse Owner, to the exterior of any Townhouse Unit at reasonable hours on any day of the week.

8.2 Roof or Structural Overhang Easements. In any case where, as part of the original construction of a Townhouse Unit, the roof or structural overhang of a Townhouse Unit shall extend entirely upon or upon and over a particular party wall, or over the adjoining Lot, Townhouse Common Area or Reserved Properties, the Townhouse Owner and his heirs, successors or assigns, as the case may be, shall have a continuing easement as to the entire particular party wall or adjoining Lot, Townhouse Common Area or Reserved Properties for the support of said party wall and the permissive use, maintenance and replacement of such roof and roof or structural overhang. Under no circumstance, however, shall such roof or structural overhang extend over such adjoining Lot, Townhouse Common Area or Reserved Properties, or beyond the party wall on which it rests or is supported, by more than five (5) feet.

8.3 Chimney Encroachment Easement. In any case where, as part of the original construction of a Townhouse Unit, the chimney of a particular Townhouse Unit shall encroach upon a party wall, an adjoining Lot, Townhouse Common Area or Reserved Properties, the Townhouse Owner and his heirs, successors or assigns, as the case may be, shall have a continuing easement as to the entire particular party wall, the adjoining Lot, Townhouse Common Area or Reserved Properties for the support, permissive use, maintenance and replacement of such chimney. Under no circumstance, however, shall such chimney extend

beyond the party wall into the adjoining Lot, Townhouse Common Area or Reserved Properties by more than five (5) feet beyond the party wall.

8.4 General Appearance. The general appearance of each Townhouse Unit in the Townhouse Project shall be maintained as follows:

(a) No clothes line, rack for garbage pails or free standing garbage pails shall be erected, placed or maintained on any Townhouse Unit without prior approval, in writing, from the Architectural Control Committee. In no case shall said clothes line, rack or garbage pails be allowed unless screened from the view of the general public and of the adjoining Townhouse Units, said screen to be approved as to design and appearance by the Architectural Control Committee. No trash or junk shall be placed or maintained on any Townhouse Unit.

(b) No garage, carport, driveway or parking area shall be used as a habitual parking place for a commercial or inoperable vehicle. No driveway, parking area, carport or garage without doors shall be used as a habitual parking space for boats and trailers. All garage doors shall be closed, except when required to be opened for the purpose of ingress and egress.

(c) Except as a part of the original construction by the Developer, no fence or wall shall be erected upon the Townhouse Project without prior approval in writing from the Architectural Control Committee.

8.5 Purchase of Insurance.

(a) Each Townhouse Owner shall at all times maintain insurance on his Townhouse Unit in amounts and limits of coverage as set forth in this Section 8.5 together with such other insurance as the Townhouse POA deems necessary, from an insurance company with an "A" rating or better by Best's & Company, authorized to do business in the State of Missouri. The premiums for such coverage and other expenses incurred in connection with said insurance shall be paid by the Townhouse Owner. The Townhouse POA, as agent for each owner, may require that it be named as an additional insured.

(b) Provisions shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to Mortgagees. At the election of the Townhouse POA, the Townhouse POA may require that all such policies provide that payments by the insurer for losses thereunder be made to an Insurance Trustee designated by the Townhouse POA. The Townhouse POA may appoint an Insurance Trustee as agent for each Townhouse Owner, each holder of a mortgage or other lien upon a Townhouse Unit, and for each owner of any other interest in the Townhouse Project, with power to adjust all claims arising under insurance policies purchased pursuant to this Section 8.5 and to execute and deliver releases upon the payment of claims.

(c) All Townhouse Units shall be insured in an amount equal to their full insurable replacement value, and such insurance shall afford protection against:

(i) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to improvements similar in construction, location and use as those to be insured hereunder including, but not limited to, earthquake, vandalism and malicious mischief; and

(iii) Such other insurance as the Townhouse POA shall from time to time determine to be reasonable.

Provided, however, that if the Townhouse POA elects to obtain special form coverage covering all Townhouse Units for their replacement value pursuant to a master policy, then each Townhouse Owner shall not be required to obtain coverage in the amounts set forth above, but rather shall be required to obtain tenants betterment coverage to insure against loss in excess of that provided under the master policy.

(d) All insurance policies purchased by a Townhouse Owner pursuant to this Section 8.5 shall be for the benefit of the Townhouse POA and the Townhouse Owner and their Mortgagees, as their respective interests may appear. If the Townhouse POA has so determined, such policies shall also provide that all proceeds covering property losses shall be paid to a designated Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, the renewal or sufficiency of policies or the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein.

(e) Proceeds of insurance policies received by the Insurance Trustee, if one has been appointed, shall be distributed in the following manner:

(i) All expenses of the Insurance Trustee shall be paid first; then

(ii) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as herein provided. Any proceeds remaining after paying such costs or repair and reconstruction shall be distributed to the beneficial Townhouse Owner thereof. All distributions to Townhouse Owners and their Mortgagees shall be payable jointly, and the Insurance Trustee may rely upon a certificate of the Townhouse POA as to their names and respective shares of the distribution.

(f) If any Townhouse Owner shall fail to purchase the insurance required hereunder, the Townhouse POA may purchase insurance for such Townhouse Owner, and each Townhouse Owner, for himself, his heirs, successors and assigns, covenants to reimburse the Townhouse POA the cost thereof. If not paid when due, all unreimbursed costs shall be and become a continuing lien on the Townhouse Unit and the personal obligation of the Townhouse Owner, and shall be subject to collection in the manner set forth in Section 5 hereof. Each Townhouse Owner shall provide the Townhouse POA

with a certificate of insurance evidencing insurance coverage in force sufficient to comply with this Section.

(g) If any part of a Townhouse Unit is damaged by casualty, it shall be reconstructed or repaired in accordance with the original plans and specifications for the Townhouse Unit. If the proceeds of insurance carried under this Section are insufficient to repair or reconstruct any damaged Townhouse Unit, the Townhouse Owner of the affected Townhouse Unit shall contribute the additional sums necessary to pay the cost of reconstruction or repair.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Duration and Amendment. The covenants and restrictions of this Townhouse Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Townhouse POA, the Lakesites POA or the Townhouse Owners subject to this Townhouse Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Townhouse Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Townhouse Owners having ninety percent (90%) of the total number of qualified votes in the Townhouse POA has been recorded, voting as a single class, agreeing to terminate this Townhouse Declaration. This Townhouse Declaration may be amended at any time by the Developer after recording and until such time as all Townhouse Units have been sold and a fee simple interest in such Townhouse Units has been conveyed, at which time the covenants and restrictions of this Townhouse Declaration may be modified in whole or in part, by an instrument signed by the Townhouse Owners having two-thirds (2/3) of the total number of qualified votes in the Townhouse POA has been recorded, voting as a single class. Provided, however, that no such amendment by the Townhouse Owners shall be effective unless made and recorded three (3) years in advance of the effective date of such change and unless written notice of the proposed amendment is sent to every Townhouse Owner at least ninety (90) days in advance of any action taken.

9.2 Invalidity. If any of the provisions of this Townhouse Declaration, any Townhouse Supplemental Declaration, the Townhouse Articles or Townhouse By-Laws, or any section, clause, phrase, word or the application thereof, in any circumstance, 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.

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

9.4 Genders and Plurals. Whenever the context so 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 this Townhouse Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Townhouse Project.

9.5 Captions. The captions used in this Townhouse Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text.

9.6 Enforcement. Enforcement of this Townhouse Declaration shall be by any proceeding at law or in equity against any person or entity violating or attempting to violate any covenant, condition or restriction herein, either to restrain violation or to recover damages against the party in violation, and/or against the land to enforce any lien created by these covenants. Failure by the Townhouse POA, the Developer, the Lakesites POA or any Townhouse Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.7 Assignment, Transfer or Conveyance by Developer. The Developer reserves and shall have the right to assign, transfer or convey any reservations, rights or obligations of the Developer hereunder, and upon such assignment, transfer or conveyance the Developer shall immediately be released and discharged as to any and all liability incident to such reservations, rights or obligations.

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

[Remainder of Page Blank. Signature Page to Follow]

IN WITNESS WHEREOF, the Developer and the Townhouse POA have caused this Second Amended and Restated Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties to be executed by their duly authorized corporate officers and their seals affixed as of the day and year set forth above.

DEVELOPER:

FOUR SEASONS LAKESITES, INC.

By: s/
 Peter N. Brown, President

Attest:

s/
 G. Lane Roberts, Assistant Secretary

TOWNHOUSE POA:

PORTO CIMA TOWNHOUSE PROPERTY OWNERS ASSOCIATION, INC.

By: s/
 William Manion, President

Attest:

s/
 Leroy Eise, Secretary

STATE OF MISSOURI)
) SS.
COUNTY OF CAMDEN)

I, Carolyn Steidle, a Notary Public, do hereby certify that on the 27th day of August, 2009, personally appeared before me Peter N. Brown, President of Four Seasons Lakesites, Inc., a Missouri corporation, and being first duly sworn by me, acknowledged that he signed the foregoing document on behalf of said Corporation in the capacity therein set forth, by authority of the Board of Directors of said Corporation, and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

_____s/
Notary Public

My Commission Expires: 8/4/2010

STATE OF MISSOURI)
) SS.
COUNTY OF CAMDEN)

I, Marie Skinner, a Notary Public, do hereby certify that on the 27th day of August, 2009, personally appeared before me William Manion, President of Porto Cima Townhouse Property Owners Association, Inc., a Missouri nonprofit corporation, and being first duly sworn by me, acknowledged that he signed the foregoing document on behalf of said Corporation in the capacity therein set forth, by authority of the Board of Directors of said Corporation, and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

_____s/
Notary Public

My Commission Expires: 7/31/2010

CONSENT OF MORTGAGEE

Security Bank of Kansas City, a Kansas banking corporation, holder of a Construction Deed of Trust with Future Advances and Future Obligations dated May 12, 2003, and recorded May 21, 2003 at Book 232, Page 30 in the Office of the Recorder of Deeds of Camden County, Missouri, and recorded on July 7, 2003 at Book 2003, Page 5272 in the Office of the Recorder of Deeds of Miller County, hereby consents to the execution and recording of the foregoing Second Amended and Restated Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties and agrees that said Deed of Trust is subject and subordinate thereto.

IN WITNESS WHEREOF, the said holder of said mortgage, has caused this instrument to be signed by its duly authorized officers on its behalf; all done at Wyandotte County, Kansas, on this 17th day of August, 2009.

SECURITY BANK OF KANSAS CITY

By: s/
Tommy G. Wells
Executive Vice President

STATE OF KANSAS))
) SS
COUNTY OF WYANDOTTE)

I, Paula Kay Kruse, a Notary Public, do hereby certify that on the 17th day of August, 2009, personally appeared before me, Tommy G. Wells, Executive Vice President of Security Bank of Kansas City, a Kansas banking corporation, and being first duly sworn by me, acknowledged that he signed the foregoing document on behalf of said corporation in the capacity therein set forth, by authority of the Board of Directors of said corporation, and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

 s/
Notary Public

My Commission Expires: 7/2/2012

EXHIBIT "A"

Listing of Townhouse Project by Neighborhood

Heritage Isle No. 2:*

Heritage Isle No. 2 Townhomes pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties, recorded on October 10, 2000 at Book 503 Page 509 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 3:

Heritage Isle No. 3 Townhouse pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties, recorded on March 26, 2001 at Book 510, Page 729 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 4:

Heritage Isle No. 4 Townhouse (commonly referred to as Punta Pilato) pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding Heritage Isle Townhouse No. 4, recorded on April 2, 2002 at Book 532, Page 117 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 5:

Heritage Isle No. 5 Townhouse pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding Heritage Isle Townhouse No. 5, recorded on October 25, 2001 at Book 523, Page 260 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 6:

Heritage Isle No. 6 Townhouse pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding Heritage Isle Townhouse No. 6, recorded on September 19, 2002 at Book 542, Page 765 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 7:

Heritage Isle No. 7 Townhouse (commonly referred to as Villa La Cresta) pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding Heritage Isle Townhouse No. 7, recorded on April 18, 2003 at Book 556, Page 466 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 7 Townhouse First Addition pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding First Addition and Heritage Isle Townhouse No. 7, recorded March 2, 2004 at Book 577, Page 958 in the Office of the Recorder of Deeds, Camden County, Missouri.

Heritage Isle No. 8:

Heritage Isle No. 8 Townhouse (commonly referred to as Bello Point) pursuant to Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties adding Heritage Isle Townhouse No. 8, recorded on September 29, 2003 at Book 569, Page 405 in the Office of the Recorder of Deeds, Camden County, Missouri, and recorded on September 25, 2003 at Book 2003, Page 7776 in the Office of the Recorder of Deeds, Miller County, Missouri.

*There is no Heritage Isle No. 1.

EXHIBIT "B"

Townhouse By-Laws

**BYLAWS OF PORTO CIMA TOWNHOUSE
PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I

IDENTITY

The name of the corporation is PORTO CIMA TOWNHOUSE PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "Townhouse POA".

Section 1. These Bylaws shall govern the operation of the Townhouse POA for the purpose of operations, maintenance and administration of Porto Cima Townhouse Properties, The Communities of Four Seasons, Lake Ozark, Missouri, pursuant to the Declaration of Restrictive Covenants of Four Seasons Lakesites, Inc. for The Communities of Four Seasons, Articles of Incorporation and the Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties filed in connection therewith.

Section 2. The office of the Townhouse POA shall be at the Townhouse Project or at such other place as may be subsequently designated by the Board of Directors of the Townhouse POA.

Section 3. The seal of the Corporation shall bear the name of the Corporation, the state of incorporation and the year of incorporation.

Section 4. All words as used herein shall have the same definitions as attributed to them in the Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties.

ARTICLE II

DEFINITIONS

Section 1. "Articles of Incorporation" means the Articles of Incorporation of the Townhouse POA filed with the Missouri Secretary of State.

Section 2. "Board" or "Board of Directors" means the Board of Directors of Porto Cima Townhouse Property Owners Association, Inc.

Section 3. "Developer" means Four Seasons Lakesites, Inc., a Missouri corporation, its successors and assigns.

Section 4. "Exclusive Common Area" means all real property now or in the future subjected to the Townhouse Declaration, excluding Townhouse Units and the Lots upon which the Townhouse Units are situated, regardless of whether such Lots and Townhouse Units have been conveyed.

Section 5. "Original Declaration" means the Declaration of Restrictive Covenants of Four Seasons Lakesites, Inc. for The Communities of Four Seasons located on Horseshoe Bend and Shawnee Bend at Lake of the Ozarks, Missouri, placed of record on December 4, 1969, in Book 158 at Page 345, in the Office of the Recorder of Deeds in Camden County, Missouri and as subsequently amended.

Section 6. "Penalty Suspension" means the suspension levied against a Townhouse Owner as set forth in Section 8.2 of the Townhouse Declaration.

Section 7. "Person" means a natural person, a corporation, a partnership, a trustee or any other legal entity.

Section 8. "Townhouse Assessments" means such amounts as are required by the Townhouse POA for payment of the Townhouse Expenses and levied against the Townhouse Owners by the Townhouse POA in accordance with the Townhouse Declaration.

Section 9. "Townhouse Declaration" means the Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties at Lake of the Ozarks, Missouri placed of record on October 10, 2000, in Book 503 at Page 509, et seq., in the Office of

the Recorder of Deeds in Camden County, Missouri, as extended or supplemented from time to time.

Section 10. "Townhouse Expenses" means all expenses incurred by the Townhouse POA for the construction, maintenance, repair, replacement, management and administration of the Townhouse Project and the Exclusive Common Area, together with any expenses which are the specific responsibility of an individual Townhouse Owner which are paid by the Townhouse POA and charged to the responsible Townhouse Owner as a Specific Townhouse Assessment for reimbursement.

Section 11. "Townhouse Members" means all those persons or entities who are members of the Townhouse POA as provided in the Articles of Incorporation of the Townhouse POA and the Townhouse Declaration. Any person or entity who is a Townhouse Member pursuant to the Townhouse Declaration shall be considered a "Member" for purposes of Missouri's General Not-For-Profit Corporation Law, §355 R.S.Mo., and shall be deemed to have consented to such membership by virtue of purchasing his or her Unit or Lot.

Section 12. "Townhouse Owners" means one or more Persons who holds the record title to any Townhouse Unit in the Townhouse Project, but excluding in all cases any Builder and any party holding an interest merely as a security for the performance of an obligation. The purchaser of a Townhouse Unit will not be considered the Townhouse Owner until the purchase price is paid in full and the deed transferring fee ownership to the purchaser is recorded in the Office of the Recorder of Deeds of Camden County.

Section 13. "Townhouse POA" means the Porto Cima Townhouse Property Owners Association, Inc., a Missouri nonprofit corporation, its successors and assigns.

Section 14. "Townhouse Project" means all real property now or in the future subjected to the Townhouse Declaration.

Section 15. "Townhouse Properties" means any property, real, personal or mixed, owned or leased by the Townhouse POA and intended to be devoted as Exclusive Common Area for the common use and enjoyment of Townhouse Members.

Section 16. "Townhouse Supplemental Declaration" means a supplemental declaration which extends the plan of the Townhouse Declaration as well as the plan of the Original Declaration to the real property described therein and subject thereto.

Section 17. "Townhouse Unit" means a portion of the Townhouse Project, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Townhouse Unit as well as any improvements thereon. The term shall include, but not be limited to, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached homes on separately platted lots, as well as vacant land intended for development as such, but shall not include, Common Area (as defined in the Original Declaration), Exclusive Common Area or property dedicated to the public. In the case of a building within a townhome development, condominium or other structure containing multiple living units, each living unit shall be deemed to be a separate Townhouse Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Townhouse Units designated for residential use for such parcel on the site plan approved by the Developer until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel.

Thereafter, the portion encompassed by such plat shall constitute a separate Townhouse Unit or Townhouse Units as determined above and the number of Townhouse Units on the remaining land, if any, shall continue to be determined in accordance with this Section.

Section 18. "Specific Townhouse Assessment" means the assessment levied by the Townhouse POA against a specific Townhouse Owner(s) and Townhouse Unit(s) as described in Section 5.5 of the Townhouse Declaration.

Section 19. "Voting Members" means those Townhouse Owners authorized to cast the vote for their respective Townhouse Units pursuant to Article III, Section 5.

ARTICLE III

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Membership shall be as provided in the Articles of Incorporation and the Townhouse Declaration. At such time as the membership of each Townhouse Owner in the Townhouse POA is appurtenant to and inseparable from his ownership of a Townhouse Unit. Except as provided in the Townhouse Declaration, transfer of ownership of a Townhouse Unit, either voluntary or by operation of law, shall terminate membership and said membership shall become vested in the transferee. If ownership of a Townhouse Unit is vested in more than one Person, then all of the Persons so owning shall be Townhouse Members eligible to hold office, attend meetings, etc., but, as hereinafter provided, they shall have collectively only one (1) vote, which shall be cast by the Voting Member as set forth below. Notwithstanding the foregoing, any Person who holds a Townhouse Membership merely as security for the performance of an obligation shall not be a Townhouse Member and such membership will remain vested in the real party in interest.

Section 2. Voting.

(a) Each Voting Member shall have one (1) vote, except the Developer which shall have ten (10) votes for each Townhouse Unit owned, all in the manner set forth in the Articles of Incorporation and the Townhouse Declaration.

A single vote is not divisible, and when more than one Person holds a single vote, their vote shall be exercised as they among themselves determine in accordance with and subject to the provisions and restrictions set forth herein.

(b) A majority of the total votes cast in a duly qualified vote shall decide any question unless the Townhouse Declaration, these Bylaws, the Articles of Incorporation or applicable law requires otherwise.

Section 3. Quorum. Unless otherwise provided in these Bylaws, the Articles of Incorporation or Townhouse Declaration, the presence in person or by proxy of twenty-five percent (25%) of the total votes shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called and the required quorum at such subsequent meetings shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 4. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the natural Person entitled to vote as set forth below in Section 5. Where a Townhouse Unit is owned jointly by a husband and wife, and if they have not designated one of them as a Voting Member, a proxy must be signed by both husband and wife.

Section 5. Designation of Voting Member. If a Townhouse Unit is owned by more than one (1) Person, the natural Person entitled to cast votes shall be designated in a certificate signed and filed with the Secretary of the Townhouse POA. If ownership is vested in a corporation, the individual officer or employee of the corporation entitled to cast votes shall be

designated in a certificate signed by an officer of the corporation and filed with the Secretary of the Townhouse POA. The natural Person designated to vote in each such certificate shall be known as the "Voting Member". Such certificates shall be valid until revoked or superseded or until there is a change in ownership. In the absence of a designated Voting Member, the vote for a Townhouse Unit may only be cast by all Townhouse Owners thereof or their proper officers. In the absence of a designated Voting Member, the POA in its discretion, may presume the Voting Member to be the first named on the instrument of conveyance of the Townhouse Unit to the Townhouse Owner(s) or may withhold voting rights until so designated. If a Townhouse Unit is owned by one (1) natural Person, that natural Person shall automatically be the Voting Member.

Section 6. Suspension of Membership. During any period in which a Townhouse Member shall be in default in the payment of any Townhouse Assessment levied by the Townhouse POA or shall be in violation of any other provision of the Original Declaration, Townhouse Declaration, Townhouse Supplemental Declarations, Articles of Incorporation, Bylaws or Rules and Regulations established by the Board of Directors, the voting rights and right to use the Exclusive Common Area and facilities by such Townhouse Member other than the Developer may be suspended by the Board of Directors until such delinquent Townhouse Assessments and any interest due thereon has been paid, any such violations are ceased and any penalties therefor are satisfied.

The Board of Directors may also impose on a Townhouse Member a Penalty Suspension for any such violations by suspending such member's easement of enjoyment for a period not to exceed thirty (30) days for any one violation or occurrence. The Board shall give the Townhouse Member (a) at least fifteen (15) days' prior written notice of the suspension explaining the

reasons therefore, and (b) the opportunity for the Townhouse Member to refute or explain in person or in writing the charges against him at least five (5) days before enforcing any decision of the Townhouse POA to impose a Penalty Suspension.

Section 7. Transfer of Membership. A Townhouse Member may transfer his membership in the Townhouse POA and all rights and obligations arising therefrom only upon those terms and conditions contained in and in the manner provided in the Townhouse Declaration.

ARTICLE IV

MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Townhouse Membership shall be held at the Townhouse Project or at such other place and at such time as shall be designated by the Board of Directors and stated in the notice of the meeting.

Section 2. Notices. Except as otherwise provided in the Townhouse Declaration or the Articles of Incorporation, it shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof, to each Townhouse Owner of record at least fourteen (14) but not more than forty-five (45) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the Townhouse Owner as it appears on the books of the Townhouse POA.

Section 3. Annual Meeting. The annual meeting shall be held in November of each year at a date, time and place to be determined by the Board of Directors for the purpose of transacting any business authorized to be transacted by the Townhouse Members.

Section 4. Special Meeting. Special meetings of the Townhouse Members for any purpose or purposes may be called by the Board of Directors on its own initiative and shall be

called upon the request in writing of such percentage of the Voting Members as required by applicable law, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Adjourned Meeting. If any meeting of Townhouse Members cannot be organized because a quorum of Voting Members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 6. Informal Action. With approval of the Board of Directors, any action which may be taken at a meeting of Townhouse Members may be taken without a meeting if consent in writing setting forth the action to be taken shall be signed by a quorum, or a greater percentage if required by applicable law, of Townhouse Members who would be entitled to vote upon such action at a meeting and filed with the Secretary to be kept in the corporate minute book.

ARTICLE V

PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

Section 1. Townhouse Members shall be entitled to the use and enjoyment of the Exclusive Common Area and appurtenant facilities as provided in the Townhouse Declaration and in Article V, Section 2 below. Any Townhouse Owner may transfer to a tenant or lessee of the Townhouse Owner's Townhouse Unit the Townhouse Owner's rights of enjoyment of the Exclusive Common Area and appurtenant facilities as provided in the Townhouse Declaration and in Article V, Section 2 below. Such Townhouse Owner shall notify the Secretary in writing of the name of any such tenant or lessee. During the period of such lease agreement, the tenant or lessee shall have such easement of enjoyment in lieu of the Townhouse Owner. The

Townhouse Owner shall remain jointly and severally liable with the lessee for breach of any duties and responsibilities of the Townhouse Owner under the Townhouse Declaration. The rights and privileges of such tenant or lessee are subject to suspension to the same extent as those of the Townhouse Owner.

Section 2. The right and easement of enjoyment in and to the Exclusive Common Area and appurtenant facilities of each Townhouse Member other than the Developer is subject to the right of the Board of Directors of the Townhouse POA to adopt rules regulating the use and enjoyment of the Exclusive Common Area, including rules restricting use of recreational facilities within the Exclusive Common Area, to occupants of Townhouse Units and their guests and rules limiting the number of guests who may use the Exclusive Common Area.

Section 3. The Board of Directors shall make such rules from time to time as shall be appropriate relative to the use of the Exclusive Common Area and appurtenant facilities by guests of Townhouse Members and all other persons who have a right to use such property and facilities. The Townhouse Members shall be bound by such rules as same shall be made and published.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Townhouse POA shall be governed by the Board of Directors composed initially of four (4) persons, but may be increased to five (5) at the option of the majority of the Board of Directors. A Director need not be a member of the Townhouse POA. A change in the number of Directors in excess of five (5) shall be made only by an amendment to the Articles of Incorporation. The names and addresses of the persons constituting the initial Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Peter C. Brown	c/o Lodge of Four Seasons Horseshoe Bend Parkway Lake Ozark, MO 65049
Derek S. Cooper	c/o Lodge of Four Seasons Horseshoe Bend Parkway Lake Ozark, MO 65049
Brad Scheiter	c/o Lodge of Four Seasons Horseshoe Bend Parkway Lake Ozark, MO 65049
Joseph A. Roeger	c/o First Title Insurance Agency 2140 Bagnell Dam Blvd., #404 Lake Ozark, MO 65049

Section 2. First Board of Directors. The initial Board of Directors of the Townhouse POA shall serve until the first annual meeting of the Board of Directors at which Directors are elected. However, despite the expiration of a Director's term, the Director shall continue to serve until his successor is elected and qualified or until there is a decrease in the number of Directors.

Section 3. Vacancies on Directorate. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, even though less than a quorum, shall choose a successor or successors who shall hold office until the term expires at the next annual meeting of the Board of Directors at which Directors are elected. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 4. Removal of Directors. At any duly convened regular or special meeting of the Board of Directors, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of two-thirds of the Directors then in office, and a successor may then and there be elected to fill the vacancy thus created.

Section 5. Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the Secretary of the Townhouse POA. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall be as required by applicable law.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by any Director by giving notice as required by applicable law. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance at any meeting shall be a waiver of notice of the time and place thereof. If all Directors are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the acts of the majority present at such meetings shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. A Director may join in the action of a meeting by signing and concurring in the minutes thereof.

Section 10. Compensation. The Directors shall not be compensated for their services as such directors, but may be reimbursed for payment of all necessary and reasonable expenses incurred by them in connection with their duties.

Section 11. Election of Directors and Term. The Board of Directors shall be elected by the incumbent Directors at the annual Directors meeting or at a special meeting called for such purpose. Election of the Directors shall be conducted by ballot with a majority of the old Directors required to elect each new Director. Each Director shall serve until the next annual meeting of the Board of Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have powers and duties necessary for the administration of the affairs of the Townhouse POA and may do all such acts and things as are not by law or by the Original Declaration, the Townhouse Declaration, Articles of Incorporation or these Bylaws, directed to be exercised and done by Townhouse Members. These powers and duties shall specifically include, but shall not be limited to, the following:

(a) To adopt, publish, enforce and amend rules and regulations governing the operation and use of the Exclusive Common Area and facilities, and the personal conduct of the Townhouse Members, guests and others thereon, and to establish penalties for the infraction thereof;

(b) To exercise all powers specifically set forth in the Original Declaration, Townhouse Declaration, Articles of Incorporation, Bylaws and any laws, ordinances or regulations applicable to Missouri Not for Profit Corporation Law and the Townhouse Project, and all powers incidental thereto;

(c) To elect Directors and to declare a vacancy in the office of any Director who shall be absent from three (3) or more consecutive regular meetings of the Board of Directors;

(d) To employ, dismiss and control at pleasure the personnel necessary for the administration, maintenance and operation of the Townhouse Project, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises. Nothing contained in these Bylaws shall prohibit the employment of any Townhouse Member, Officer or Director in any capacity whatsoever;

(e) To call special meetings of the Townhouse Members whenever it deems necessary, and at any time upon written request of the Townhouse Members as provided in Article IV, Section 4 hereof;

(f) To make and determine assessments and other fees, collect said assessments and other fees, and use and expend the assessments and other fees to carry out the purposes and powers of the Townhouse POA;

(g) To further improve the Townhouse Project, to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and to enter into agreements in connection therewith, subject to the provisions of the Townhouse Declaration, Articles of Incorporation and these Bylaws;

(h) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Townhouse POA;

(i) To cause to be kept a complete set of all of its acts and corporate affairs and to present a statement thereof at the annual and any special Townhouse meeting of Members;

(j) As more fully provided in Article V of the Townhouse Declaration, to (i) fix the amount of assessments; (ii) prepare a roster of properties and assessments applicable thereto for keeping in the office of the Townhouse POA and open to inspection by Townhouse Members; (iii) send written notice of each Special Townhouse Assessment to members; and (iv) issue, or cause an appropriate officer to issue, upon demand a certificate setting forth whether any assessment has been paid with such certificate to be conclusive evidence of any assessment therein stated to have been paid;

(k) To procure and maintain adequate liability and hazard insurance on property owned by the Townhouse POA;

(l) To cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;

(m) To cause the Exclusive Common Area to be maintained;

(n) To provide for all exterior maintenance of the Townhouse Units and other buildings as set forth in the Townhouse Declaration; and

(o) To regulate the use of signs in accordance with the Original Declaration, the rules and regulations of the Four Seasons Lakesites Property Owners Association, Inc. Architectural Control Committee, or any Community Architectural Control Committee, if applicable, the Townhouse Declaration and rules and regulations of the Townhouse POA.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint any committees as deemed appropriate in carrying out its purposes.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The principal officers of this Townhouse POA shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may be both Secretary and Treasurer.

Section 2. Election. The officers of the Townhouse POA shall be elected annually by the Board of Directors at the meeting of the Board following the annual meeting of the Townhouse Members.

Section 3. Term. Each officer shall hold his respective office during the pleasure of the Board of Directors but for a term not to exceed one (1) year. All officers may succeed themselves. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors. If any office becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 4. Appointive Officers. The Board may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors deems necessary.

Section 5. Compensation. The compensation, if any, of all officers of the Townhouse POA shall be fixed by the Board of Directors.

Section 6. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same Person. No Person shall simultaneously hold more than one of any of the other offices except in the case of appointive offices created pursuant to Sections 1 and 4 of this Article.

Section 8. The President. The President shall be the chief executive officer of the Townhouse POA and shall have executive powers and general supervision over the affairs of the Townhouse POA and other officers. The President shall sign all written contracts and perform all of the duties incident to the office and which may be delegated to the President from time to time by the Board of Directors.

Section 9. The Vice President. The Vice President shall perform all of the duties of the President in the President's absence and such other duties as may be required from time to time by the President or Board of Directors of the Townhouse POA.

Section 10. The Secretary. The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the Townhouse Members and shall attend and keep the minutes thereof. The Secretary shall have charge of the Townhouse POA books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 11. The Treasurer. The Treasurer shall:

(a) Have custody of the Townhouse POA funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Townhouse POA and shall deposit all monies and other valuable effects in the name of and to the credit of the Townhouse POA in such depositories as may be designated from time to time by the Board of Directors;

(b) Disburse the funds of the Townhouse POA as may be ordered by the Board of Directors, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all transactions of the Treasurer and of the financial condition of the Townhouse POA;

(c) Collect the assessments and other fees due the Townhouse POA and promptly report the status of such collections and of all account delinquencies to the Board of Directors;

(d) Provide relevant account status reports to potential transferees of Townhouse Units on which reports the transferees may rely; and

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

ARTICLE X

FINANCES

Section 1. Depositories. The funds of the Townhouse POA shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time and shall be withdrawn only upon checks and demands for money signed by such persons as may be designated by the Board of Directors. Obligations of the Townhouse POA shall be signed by at least two (2) officers of the Townhouse POA.

Section 2. Fidelity Bonds. All persons or firms who are authorized to sign checks or otherwise handling or responsible for Townhouse POA funds shall be bonded in such amounts as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Townhouse POA. The Bond shall be in an amount sufficient to equal the monies an individual or firm handles or of which it has control.

Section 3. Fiscal Year. The fiscal year for the Townhouse POA shall be the calendar year, except the first fiscal year shall begin on the date of incorporation, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year, in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Audits. An audit of the accounts of the Townhouse POA shall be made annually. Said audit shall be prepared by such independent certified public accountant as the Board of Directors determines, and a copy of said report shall be available to the Townhouse Members in the office of the Townhouse POA and with the Treasurer of the Townhouse POA. Such report shall be available not later than three (3) months after the end of the year for which the report is made.

ARTICLE XI

AMENDMENTS TO THE BYLAWS

These Bylaws may be altered, amended or added only in accordance with the provisions of Missouri's General Not-For-Profit Corporation Law, §355 R.S.Mo., as amended.

ARTICLE XII

NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Townhouse Declaration; or if no applicable provisions are present in the Townhouse Declaration, then in accordance with Missouri law.

ARTICLE XIII

INDEMNIFICATION

The Townhouse POA shall indemnify every Director and every Officer, employee and agent, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by the Director, Officer, employee or agent in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a Director, Officer, employee or agent of the Townhouse POA, except as to matters wherein such Director, Officer, employee or agent shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director, Officer, employee or agent may be entitled.

ARTICLE XIV

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Townhouse POA shall not relieve or release any such former Townhouse Owner or member from any liability or obligations incurred under or in any way connected with the Townhouse Project during the period of such ownership and membership, or impair any rights or remedies which the Townhouse POA may have against such former Townhouse Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XV

LIMITATIONS OF LIABILITY

Notwithstanding the duty of the Townhouse POA to maintain and repair parts of the Townhouse Project, the Townhouse POA 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 Townhouse Owners or persons.

ARTICLE XVI

BOOKS AND PAPERS

The books, records and papers of the Townhouse POA shall at all times, during reasonable business hours, be subject to inspection of any member.

ARTICLE XVII

CONFLICTS

In the case of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Townhouse Project documents or applicable laws, ordinances and regulations, the latter shall prevail. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Original Declaration and these Bylaws, the Original Declaration shall control; and in case of any conflict between the Townhouse Declaration and these Bylaws, the Townhouse Declaration shall control.

ARTICLE XVIII

INVALIDITY

If any of the provisions of these Bylaws or any section, clause, phrase, word or the application thereof, in any circumstance, is held invalid, the validity of the remainder of such instruments and the application of such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

IN WITNESS WHEREOF, we, being all of the Directors of the Porto Cima Townhouse Property Owners Association, Inc., have adopted these Bylaws of the Townhouse POA this 4th day of October, 2000.

s/
PETER C. BROWN

s/
DEREK S. COOPER

s/
BRAD SCHEITER

s/
JOSEPH A. ROEGER

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