AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

LANTERN BAY CONDOMINIUMS, INC

THIS AMENDED AND RESTATED DECLARATION, executed this 3rd day of September, 1997, by Lantern Bay Condominiums, Inc., a Missouri corporation, hereinafter referred to as "Declarant".

W-I-T-N-E-S-S-E-T-H

WHEREAS, Declarant has previously executed and recorded in the Public Records of Stone County, Missouri a "DECLARATION OF COVENANTS, CONDITIONS, and RESTRICTIONS FOR LANTERN BAY CONDOMINIUMS, INC." recorded at Book 227, Page 1379 et seq. (Hereinafter, the "Original Declaration") submitting the condominium property to the provisions of the Uniform Condominium Act, as codified in Sections 448.1-101 through 448.4-120 RSMo.; and

WHEREAS, pursuant to Article III of the Original Declaration, Declarant has reserved the right to unilaterally amend said original declaration "in any manner which is, in the sole discretion of Declarant, necessary or advisable to clarify the intent of the Declarant, [or to] eliminate ambiguities [there]in'; and

WHEREAS, pursuant to Article IX of the Original Declaraton, "Each time an additional phase is added to the Project, Exhibit…"E" hereto shall also be amended to show…the Allocated Interest of each condominium Unit of the Project following the inclusion of more Units;

NOW, THEREFORE, Declarant hereby submits this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Lantern Bay Condominiums, Inc., which shall replace in their entirety sections 1.01 through 10.04 of the aforesaid Original Declaration the covenants, conditions and restrictions contained therein, and attaches hereto the Second, Third, Fourth, and Fifth Amendments to Exhibit "E" which are incorporated herein by this reference, and the Condominium Property shall hereinafter be held, transferred, sold, conveyed and occupied subject to the covenants, conditions and restrictions hereinafter set forth, which shall run with the Land and be binding on all present and future owners of said real property.

ARTICLE I

DEFINITIONS

1.01. As used in this Amended and Restated Declaration (hereinafter, the "Declaration"), the following terms shall have the meanings set forth below:

a. "Act" means the Missouri Uniform Condominium Property Act, Chapter 448 of the Revised Statutes of Missouri, 1983, as amended.

b. “Allocated Interest” shall mean the undivided interest in, and to the common elements, limited common elements and common expense liability allocated to each condominium unit and/or Fractional interest, or any amendments thereof, as set forth herein.

Each unit shall have an undivided interest in the common elements and limited common elements and will be responsible on that same pro-rata basis for the common expenses liability. Each Fractional Interest shall likewise own an undivided interest in the common elements and limited common elements, which shall be computed based upon the fractional relationship of a particular Fractional Interest to that of the Unit as a whole, and shall also be responsible for a corresponding share of the common expense liability. The interests of each of the units is set forth in the First Amendment to Exhibit “E” attached hereto. If the interest changes as a result of additional phases being added to the project then additional amendments to Exhibit “E” will be prepared reflection the adjusted interest. Allocated Interest shall also determine the basis for the allocation to each unit or fractional interest therein of votes in the Association.

c. “Articles” shall mean the articles of incorporation of the Association filed with the Secretary of State of Missouri, as duly amended.

d. “Association” shall mean Lantern Bay Property Owner’s Association, a Missouri nonprofit corporation, its successors and assigns.

e. “Board of Directors” shall mean the board of directors of the Association as duly elected and qualified from time-to-time.

f. “Building” shall mean one or more of the structures erected on the Land containing one or more Units;

g. “By-Laws shall mean the by-Laws of the Association initially adopted by the Board of Directors, a copy of which is attached to the Original Declaration as Exhibit “D”, as duly amended from time-to-time.

h. “Common Elements” shall mean both the General Common Elements and the Limited Common Elements, as those terms are hereinafter defined.

I. “Common Expenses” shall mean all costs and expenses payable by the Association pursuant to the provisions of this Declaration, the By-Laws or a resolution duly adopted by the

Board of Directors or the Owners;

j. “Condominium Unit” shall mean a Unit, or any Fractional Interest therein, together with an undivided interest in and to the Common Elements.

k. “Declarant” or “Developer” shall mean Lantern Bay Condominiums, Inc., a Missouri Corporation, its successors and assigns.

l. “Development Phase” shall mean the period of time from the date of recording of the Original Declaration until the termination of the Development Phase pursuant to Article IV, Section 4.05.

m. “Development Rights” shall mean the right of Declarant to develop the property shown on the plat set forth as Exhibit “B” to the Original Declaration as additional phases of the Project.

n. “First Lien Indebtedness” shall mean any indebtedness secured by a first and prior lien or encumbrance upon a Condominium Unit;

(o) “First Mortgagee” shall mean any bank, insurance company, agency or instrumentality of the United States government, or other institutional holder of First Lien Indebtedness;

(p) “General Common Elements” shall mean the Land, the Buildings, the Systems which do not exclusively serve a single unit, all amenities of the Project (such as, if applicable, swimming pools, swimming pool equipment, laundry and utility rooms and storage areas), all areas (to the extent not otherwise identified as being Limited Common Elements), roadways, walkways, yards, trees, shrubs and pavement, and all other elements of the Project necessary or convenient to the existence, maintenance and safety of the condominium regime established hereby and/or which are normal and reasonably in common use by the Owners, but in each case exclusive of any such element otherwise within the definition of a Unit or a Limited Common Element;

(q) “Improvements” shall mean all Buildings, pavement, fencing, Landscaping, plumbing, electrical and telephone lines and man-made objects of every type, existing or placed on the Land;

(r) “Land” shall mean that certain lot, tract or parcel of Land located in Stone County, Missouri, and more particularly described in Exhibit “A” attached hereto and made a part hereof, and any additions or addendums thereto by amendment hereof, together with all and singular the rights and appurtenances pertaining thereto;

s. “Limited Common Elements” shall mean those elements of the Common Elements which are either limited or reserved for the common use of one or more but fewer than all of the Owners, including, without limitation, the parking areas reserved for the exclusive use of an individual Unit, such parking areas, if so reserved, being designated on the Map by the letter “L”

t. “Manager” shall mean that person or entity with whom the Association contracts for the management of the Project and/or administration of the Association.

u. “Map” shall mean the plats and plans filed and recorded with the Original Declaration, including, without limitation, the survey plat of the Land and diagrammatic plans depicting the Units and any additions or addendums thereto.

v. “Owner” shall mean any individual or legal entity (including the Declarant) owning fee title to a Unit or Fractional Interest.

w. “Project” shall mean the Land and Improvements.

x. “Regulations” shall mean the rules and regulations of the Association initially adopted by the Board of Directors and relation to the occupancy of the Condominium Units and the use of the General Common Elements, as duly amended from time-to-time.

y. “Systems” shall mean all fixtures, equipment, pipes, lines, wires and conduits used in the production, heating, cooling, and/or transmission of air, water, gas, electricity, waste water and sewage.

z. “Timeshare Interest” or “Fractional Interest” means a fractional undivided interest in any Unit which has been committed to vacation ownership by the Owner of the Unit. References herein to

aa. “Unit” shall mean the space which is contained within the perimeter walls, floors, ceilings, windows and doors of a dwelling unit depicted on the Map, the exterior surfaces of any patios or balconies, together with all Systems which exclusively serve such Unit, and the finish materials, fixtures and appliances therein contained, but exclusive of any of the structural components of the Building in which the Unit is located and of systems which serve more than on Unit.

1.02. Number and Gender. Whenever the context requires, references herein to the singular shall include the plural and to the plural shall include the singular, and words denoting gender shall include masculine, feminine and neuter.

1.03. Exhibits to Original Declaration Incorporated herein by reference. All Exhibits to the Original Declaration are incorporated herein by this reference.

1.04. Maximum number of Units. The maximum number of Units of Phase I is two-hundred and thirty-four (234), however, Declarant reserves the right to add units in additional phases up to a maximum of six hundred and fifty (650) Units.

ARTICLE II

GENERAL PROVISIONS

2.01. Division: Map

a. The Project is hereby divided into fee simple estates comprised of separately designated Units, which interests may be further divided into Fractional Interest by any Unit Owner, and such Units’ or Fractional Interests’ undivided interest in and to the Common Elements. Accordingly, each separate estate and/or Fractional Interest shall be deemed to a non-exclusive easement for the ingress and egress to and from an Owner’s Unit, the exclusive right to use and enjoy the Limited Common Elements appurtenant thereto (subject to the rights of other Owners if appurtenant to more than one Unit), and the non-exclusive right to use and enjoy the General Common Elements, provided that any owner of a Fractional Interest shall limit his use of the Common Elements and Limited Common Elements to such periods as he is entitled to be in possession of his Unit. The separate estates recognized hereby shall continue until this declaration is revoked or terminated in the manner herein provided.

b. The Map sets forth, inter alia, a general description and diagrammatic plan of each Unit, showing its dimensions, Building Location, floor and Unit Number, and by identifying the Unit by number, and the Limited Common Elements appurtenant thereto.

2.02. Ownership of Common Elements: No Partition.

a. The undivided interest of an Owner in and to the Common Elements shall be equal to the Allocated Interest percentage set forth in Exhibit "E" attached hereto and made a part hereof. The Allocated Percentage of a Fractional Interest with in a particular Unit shall be pro-rated based upon the relationship that such any Fractional Interest bears to the Unit as a whole.

b. The Common Elements shall remain undivided, and no owner shall bring, or be entitled to maintain, an action for the partition or division thereof. 2.03. Inseparability of Common Elements. Each Unit and/or Fractional Interest shall be inseparable from the Owner's undivided interest in and to the Common Elements, and shall be acquired, owned, conveyed, transferred, lesed and encumbered only as an entirety. Any attempt to server a Unit or Fractional Interest from its corresponding interest in the Common Elements shall be null and void. In no event shall a Condominium Unit be subject to physical partition.

2.04. Permissible Relationships: Description.

a. A Unit or Fractional Interest may be acquired and owned by more than one party in any real property relationship recognized by the laws of the State of Missouri.

b. Any contract or other instrument relating to the acquisition, ownership, conveyance, transfer, lease or encumbrance of a Condominium Unit or Fractional Interest may legally describe such Unit or Fractional Interest by its identifying Unit number and

Building designation, and in the case of a Fractional Interest, its vacation week or other interval designation followed by the words "LANTERN BAY, A CONDOMINIUM", with further reference to the Map as filed of record and to this Amended and Restated Declaration. Every such description shall be good and sufficient for all the aforesaid purposes, and any such description shall be construed to include all incidents of ownership relating to a Unit, including the right to use the Common Elements and Limited Common Elements thereto, and the Owner's undivided interest in and to the General Common Elements.

2.05. Mortgage of Condominium Unit. An Owner shall be entitled from time-to-time to mortgage or encumber his Unit or Fractional Interest by deed of trust or other instrument, but any lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires title to a Condominium Unit or Fractional Interest through judicial foreclosure, public sale or other means shall be subject to the terms and provisions of this Declaration, except as provided to the contrary herein. An Owner who mortgages his Condominium Unit or Fractional Interest shall notify the Association, giving the name and address of his mortgagee. The Association shall maintain such information and shall notify an Owner's First Mortgagee, in writing, of any default by such Owner in the performance of such Owner's obligations as set forth in this Declaration not cured within sixty (60) days if such Owner's First Mortgagee has requested such notice.

ARTICLE III

USES, RESERVATIOINS AND RESTRICTIONS

3.01. Permitted Use. A Unit may not be used or occupied for multi-family residential purposes, except for rental, lease or interval ownership arrangements of less than one month. Units may be rented or leased for hotel purposes including nightly rentals. Any rental agreement shall be in writing, shall state that it is subject in all respects to this Declaration, the By-Laws and the Regulations, and shall provide that any failure by the lessee to comply therewith shall constitute a default under such rental agreement.

Nothing herein shall be deemed or construed as prohibiting the Declarant, its agents, representatives or assigns, from maintaining in Units owned or controlled by Declarant, its agents, representatives or assigns, sales offices, models and other sales facilities, or the Association or the Manager from maintaining an office in one of the Units. Owner(s) acting collectively or individually, shall have the right to maintain actions against the Association for its failure to comply with the provisions hereof or to perform its duties and responsibilities hereunder or for any other purpose permitted by law.

3.02. Further Requirements of Use. Each Owner shall maintain his Unit in a safe, clean and sanitary condition, and shall not maintain at, nor permit his Unit or the Limited Common Elements to become, a public or private nuisance. No Owner, nor unit occupant or licensee or invitee thereof shall store or part on any portion of the Project any motor home, travel trailer, truck with a rated capacity in excess of ¾ ton, or any recreational vehicle of any type or description whatsoever. All boats and other water craft, such as jet skis, shall be permitted within the project only within the areas designated for such use.

Owners shall not affix, attach, hang, display or place anything on any exterior walls, door or windows, or install any clothes lines, garbage racks or garbage pails, awnings or storm shutters, screens, exterior antennas or aerials, or enclosures of any type on the Units or common properties, or cause any type of ground coverage to be installed or grow any type of plant, shrubbery, flower, vine or grass on the common property or that portion of the Unit outside the exterior walls thereof, without the prior written consent of the Association. If such consent is given, the Owner shall be solely responsible for the maintenance thereof, except as provided in the written consent.

Furthermore, Owner shall not exhibit any signs, advertisements or notices of any type on the Common Area or Units unless prior written consent is obtained from the Association.

3.03. Compliance with Declaration, By-Laws and Regulations. Each Owner, by accepting or possessing title to a Condominium Unit, and each lessee, upon obtaining the right to use and occupy a Condominium Unit, automatically shall be deemed to have agreed to comply strictly with the provisions of this Declaration, the By-Laws and the Regulations. A failure or refusal to so comply with the provisions of any such instrument, after written notice, shall be grounds for an action to recover damages or sums due, with interest thereon at the highest lawful rate, or for injunctive relief, or both, and for reimbursement of all costs and attorneys' fees incurred in connection therewith, which action shall be maintainable by the Board of Directors or the Manager in the name of the Association and an Owner or his lessee's right to use and enjoy the General Common Elements may be written notice by suspended by the Association during the period of such noncompliance.

3.04. Reservations by Declarant. The Declarant also reserves the right for himself or his successors and assigns to use the easements for purposes of ingress and egress, or for purposes of access to Table Rock Lake and to:

(a) Physically combine the space within one Unit with the space within any one or more adjoining Units;

(b) Combine a part or arts of the space within one Unit with a aprt or parts of the space within one or more adjoining Units; and

(c) Divide into separate Units the space of one or more Units.

(d) The right to develop the approximately thirty (30) additional acres of additional Land adjoining Phase I and to include it within the Project and to construct a total of six hundred fifty (650) Units in the event Developer brings the additional thirty (30) acres of Land within the Project. Developer may do so at any time within twenty (20) years of the date of this Declaration. The Land which is reserved by the Declarant for future use is identified on Exhibit "B". No assurances are made with respect to when, within the twenty (20) year period, the additional phases may be brought in to the Project, the number of additional phases in which the additional thirty (30) acres may be included, or in what order the additional phases may be incorporated into the Project.

(e) Further, the Declarant hereby reserves the right to amend the Map to conform the same to the actual location of the Improvements, the actual size and location of the Units and/or the proper designation of the elements of the Improvements as Units,

General Common Elements or Limited Common Elements, and with the prior written approval of all First Mortgagees and any applicable governmental agency or authority to establish, vacate and relocate easements. The Declarant shall be entitled to include, in any instrument initially conveying a Condominium Unit, such additional reservations, exceptions and exclusions as it may deem consistent with and in the best interests of the Owners and the Association.

(f) The developer also reserves the right to complete improvements indicated on plats and plans filed with the Declarations; to exercise the developmental rights referred to in this document; the right to maintain signs advertising the condominiums on any of the Common Elements; to use easements through the Common Elements for the purpose of making improvements within the condominium or within real estate which may be added to the condominium; to make the condominium subject to a master association; or to appoint or remove any officer of the Association or master association, or any executive board member during any period of Declarant control.

(g) The Declarant has the right to use any Unit owned or leased by the Declarant as a sales office, management office or model Unit. Furthermore, the Declarant reserves the right to establish a sales office or management office as specifically provided on either the plat or map.

(h) Declarant may amend this Declaration in any manner which is, in the sole discretion of Declarant, necessary or advisable to clarify the intent of the Declarant,

eliminate ambiguities herein, or to correct errors in the preparation and recording thereof. (i) Amendments by the Declaration need only be executed and acknowledged by the Declarant. The consent of the Owners, the Association, the holder of any lien in the Project, or other person or entity shall not be required in connection herewith.

3.05. Use of Access Roads. During the Development Phase the Declarant shall have the right to use all access roads, parking areas (except for those which constitute Limited Common Elements appurtenant to Units which have been conveyed to owners other than Declarant) and other portions of the Common Elements to the extent desirable or necessary for the completion of the improvements being constructed by Declarant on the Land.

3.06. Access Easement. The Association, its agents and representatives, shall have the irrevocable right of access to each Unit from time to tome as may reasonable be necessary for the maintenance, repair or replacement of any of the General Common Elements thereon or accessible there from, and for the making of emergency repairs therein necessary to prevent damage to the Common Elements or to the other Units.

Damage to the interior of any Unit resulting from such maintenance, repair and replacement activities, whether by reason of an emergency or otherwise, shall constitute a Common Expense and be payable by the Association; provided, however, that if such maintenance, repairs or replacements are the result of the misuse or negligence of an owner, then such owner shall be responsible and liable for all such damage.

3.07. Encroachments. If any portion of the Common Elements encroaches upon a Unit, a valid easement for such encroachment, and for the maintenance of same for so long as it stands, shall and does exist. If any portion of a Unit encroaches upon the Common Elements, or upon any adjoining Unit, a valid easement for such encroachment and for the maintenance of same so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either upon a Unit or upon the Common Elements.

3.08. Mechanic's Liens; Indemnification. No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of an Owner, his agents or representatives, shall be the basis, except to the extent contemplated by Section 3.06, for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each owner shall indemnify and hold harmless each of the other Owners and the Association from and against all liabilities and obligations arising from the claim of any lien against the Unit of such other owners or the Common Elements.

ARTICLE IV

MATTERS REGARDING THE ASSOCIATION

4.01. Membership.

(a) Each Owner shall automatically be a member of the Association, and shall possess one vote with respect to each Condominium Unit owned. All voting rights of an owner may be suspended during any period that he is delinquent in the payment of any assessment duly established pursuant to Article VI or Article VII, or otherwise in default under the terms of this Declaration, the By-Laws or the Regulations.

(b) In cases where more than one party owns an interest in a Condominium Unit, all such parties shall arrange among themselves for one of their number to exercise the voting rights herein established by instrument in writing delivered to the Association (failing in which no votes with respect to such Condominium Unit shall be counted for any purpose).

4.02. Administration of Affairs. Subject to the provisions of the Act, the Missouri Not-For-Profit Corporation Act, this Declaration and the By-Laws, the Association shall be governed by a Board of Directors. Meetings of the Owners and the board of Directors shall be held and conducted as provided in the By-Laws. Any action taken by the Association pursuant hereto or to the By-Laws, specifically including, without limitation, acting pursuant to Articles VII of this Declaration, shall be binding upon all Owners.

4.03. Manager. To facilitate management of the Project and the administration of the Association and the Condominium regime established hereby, the Board of Directors, may delegate to a Manager responsibility for matters of a routine nature, provided only that an agreement evidencing such relationship shall in no event exceed a period of five (5) years, renewable by agreement of the parties thereto successive for one year periods only, and shall be subject to termination for cause. In the event either party feels there has been a violation of the contract, they shall give the non-complying party written notice of the specific violation or default. The alleged non-complying party shall then have thirty (30) days within which to remedy any alleged default or breach of the contract. If the alleged non-complying party shall fail to correct the default or breach within said thirty (30) day period, the contract may be terminated. It is stipulated that the following acts of default shall constitute a substantial breach of this agreement, but this list shall be deemed illustrative only and not all inclusive:

(a) non-payment of the management fee due the Manager;

(b) failure of the Association to furnish sufficient funds to cover obligations authorized by the Board;

(c) failure of the Manager to render complete and accurate accounting statements based upon available information within a reasonable time after the end of any accounting period; and (d) failure of either party to perform required responsibilities under the Management Contract. In addition to the foregoing, no decision by the Association to establish self-management of the Project after a Manager has been appointed shall be effective unless and until approved by not less than sixty-seven percent (67%) of the Owners (in interest, not in numbers).

4.04. Duties and Powers. In addition to the duties and powers enumerated in the By-Laws and Articles or otherwise provided for herein, and without limiting the generality thereof, the Association, acting through the Board of Directors shall:

(a) Enforce the provisions of this Declaration and the By-Laws by appropriate means, including without limitation, the expenditures of funds, as a Common Expense, for the employment of legal counsel and for the commencement and prosecution of legal actions;

(b) Have the power to grant and reserve easements where necessary or desirable for utilities, routes of ingress and egress, or any other purpose, over the Common Elements and to amend the Map to show such easements;

(c) Adopt, amend, modify, change and enforce any and all such reasonable rules and regulations relating to the use of the Common Elements and the facilities thereon as well as relating to the conduct of persons in or about the Project, provided only that no such rule or regulation shall be contrary to the specific provisions of this Declaration, the By-Laws or the Articles of Incorporation; and

(d) Have the power to do and accomplish all such other acts as may be required to fulfill the covenants contained in this Declaration, to effectuate the purposes hereof, or to promote the health, safety, welfare and common interests of the Project and its Owners.

(e) All other powers provided for in Section 448.3-102 of the Missouri Revised Statutes.

4.05. Board of Directors: Period of Declarant Control. During the "development phase" of this Project, the developer retains the right to control the Association and may, during that period of time, appoint or remove the officers and members of the Board of Directors. However, the period of Declarant control for the purpose of controlling the Association shall terminate on the earlier of (1) sixty (60) days after conveyance to Unit Owners other than a Declarant of seventy-five percent (75%) of the total number of

Units which may be created in all phases, or (2) two years after all Declarants have ceased to offer Units for sale in the ordinary course of business, or (3) two years after any development right to add new Units was last exercised. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the total Units which may be created in all phases, to Unit Owners other than a Declarant, at least one member, and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by the Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created in all phases, to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the executive board shall be elected by Unit Owners other than the Declarant. Not later than the termination of any period of Declarant control, the Unit owner shall elect a Board of Directors of at least five (5) members, at least a majority of whom shall be Unit Owners. The Board of Directors shall elect the officers. The Board of Directors and officers shall take office upon election.

4.06. Records. The Board of Directors shall keep or cause to be kept records with detailed accounts of the receipts and expenditures of the Association. All books and records of the Association shall be available for inspection by the Owners and the First Mortgagees, their respective agents and representatives, during normal business hours. All books and records of the Associations shall be kept in accordance with generally accepted accounting principles, consistently applied. The Association shall furnish each Owner, and to each First Mortgagee requesting same in writing, copies of financial statements of the Association within ninety (90) days following the end of the fiscal year of the Association. The Board of Directors shall further make available, during normal business hours, for the inspection by Owners and the First Mortgagees, their respective agents and representatives, the current version of the Declaration, the By-Laws, the Articles, the rules and regulations of the Association and all other documents affecting the Association, the Owners or the Project, as well as all amendments thereto and revisions thereof.

4.07. Mailing Addresses; Notices.

(a) Each owner shall register his mailing address with the Association. The mailing address of each First Mortgagee is to be delivered to the Association as provided in ection 2.05. (The mailing address of the Association from time to time shall be made known to the Owners and the First Mortgagees by written notice.)

(b) All notices, demands and other communications shall be deemed delivered, whether actually received or not, three (3) days following deposit thereof in a United States Postal Service depository, postage prepaid, registered or certified, return receipt requested, properly addressed to the party to whom same is sought to be delivered at such address so registered.

ARTICLE V

MAINTENANCE, ALTERATIONS, INSURANCE, TAXES AND UTILITIES

5.01. Maintenance.

(a) Each Owner shall be responsible for and shall pay its individual utility bills for water, sewer, electricity, telephone and any other utility service relating to such services used or consumed, maintain in good condition and repair, at his sole cost and expense, his Unit (including, without limitation, all Systems which are a part of his Unit, Improvements, finish materials [such as paneling, wallpaper, paint, wall and floor tile, carpeting and other flooring materials, excluding subflooring], fixtures and appliances therein contained, and the interior of all Unit doors and windows [including, but not limited to, hardware and glass]).

No Owner shall be required to directly pay the cost and expense of structural repairs to his Unit or to the Common Elements unless necessitated by the willful or negligent misuse thereof by the occupants or invitees of such Unit, in which event such costs and expenses shall constitute the sole obligation of the Owner(s) whose occupants and/or invitees were guilty of such willful or negligent misuse. Any maintenance and repair work done by or at the instance of an Owner shall be done in a good and workmanlike manner using materials of equal or better quality than the materials removed, and shall be done in such a manner as not to impair the structural soundness or integrity of any Building.

In the event an Owner fails to discharge his maintenance obligations hereunder, the Association shall be entitled (but not obligated) to cause such work to be done, and the cost and expense thereof shall be and constitute a lien upon such owner's Condominium Unit.

(b) All elements of the Project not required hereunder to be maintained by the Owners individually shall be maintained by the Association, the cost and expense of which shall constitute a Common Expense and be payable by the Association. Specifically, but without limitation, the Association shall maintain in good condition and repair the Common Elements, and shall establish and maintain an adequate reserve fund for such purposes (to be funded by regular monthly assessments rather than by extraordinary special assessment). Subject to the provisions of Section 5.03(a), nothing herein shall be deemed or construed as relieving any owner from liability or responsibility for damage to the Common Elements causes by the negligence or misconduct of his Unit's occupants or invitees.

(c) The Board Members shall take whatever actions are necessary to comply with the Department of Natural Resources ("DNR") regulations concerning the sewer treatment facility ("Facility") constructed for the Project. It is anticipated that the Facility will be owned and operated by a private or public utility ("Utility"), but in the event it is not then it shall be deeded to the Association by the developer and shall become the property of the Association and the Association shall operate the Facility. The developer has, pursuant to the Declaration, granted valid easements for all utilities including the Facility, but in the event additional easements are needed, the Association shall grant additional easements necessary for the proper operation of the Facility. The Association shall also have the duty, if it becomes the owner of the Facility, pursuant to the By-Laws and the Declaration, to operate, maintain and, if necessary, modernize the Facility to comply with DNR regulations, and the Board shall have the right to assess Members for the operation and maintenance of the Facility in the same manner provided elsewhere in the Declaration and By-Laws for levying assessments on Members and the enforcement of said assessments through liens on the property of owners. In the event the Association becomes the owner, the Board shall also have the power to convey the Facility to any continuing authority identified in the Missouri Code of State Regulations currently 10 CSR

20-6.010(3)(B). Regardless of ownership of the Facility, all Members shall be required to connect their Unit to the Facility designed for the Project and shall be bound by the rules of the Association pertaining to the Facility as well as all other matters unless an alternative DNR approved Facility is available to which Units may connect and provided further that said Facility is approved by the Board.

(d) In the event a dispute shall arise among Owners as to the proper party to bear a maintenance cost or expense, the Board of Directors shall be entitled to resolve such dispute; provided, however, that nothing herein shall be deemed or construed as limiting an owner's right to have the provisions of this Section interpreted by a court of competent jurisdiction; provided further, however, that any such cost or expense so disputed shall be paid in accordance with the determination of the Board of Directors pending final judgment in any such legal proceedings.

5.02. Alterations. No Owner shall be entitled to alter, add to or improve his Unit, or the Limited Common Elements appurtenant thereto, in a manner as will or might reasonably be expected to affect the structural soundness or integrity of any of the improvements, without the prior written consent of the Association.Further, no Owner shall be entitled to make any alteration, addition or improvement to a Limited Common Element appurtenant to more than his Unit unless the prior written approval of all Owners having an interest therein is obtained. Any alterations, additions and improvements made pursuant to this Section 5.02 shall be made at the individual cost and expense of the Owners.

5.03. Insurance.

(a) The Association shall obtain and maintain, as a Common Expense, the following described insurance coverages:

(1) A "master" or "blanket" policy of property insurance covering all general and Limited Common Elements (excluding the Land, foundation and other items normally excluded from coverage) including fixtures and Systems which constitute a part of the Common Elements as well as the personal property, if any, which belongs to the Association. Such policy shall also cover, to the extent such coverage is available, all fixtures

and Systems which comprise a part of each Condominium Unit as well as the floor coverings, wall coverings and appliances contained within each Condominium Unit to the extent that such items are covered by the terms of any mortgage held by a First Mortgagee. Such "blanket" or "master" policy shall insure, for 100% of the full replacement value of the items covered, against loss or damage by fire or other perils normally covered by the standard extended coverage endorsement available in the State of Missouri and against all other perils customarily covered with respect to condominium Projects which are similar in construction, location, and use, including all perils normally covered by the standard "all risk" endorsement, if such endorsement is available. If an "inflation guard endorsement" is available for such policy of insurance, it shall be added to such policy; and

(2) A comprehensive general liability policy covering all Common Areas and public ways on or about the Project. Such coverages shall be for not less than $1,000,000.00 per occurrence, $2,000,000.00 general aggregate and umbrella coverage to total $5,000,000.00 Such coverage shall include, without limitation, legal liability of the Association for bodily injury or death of persons together with any property damage arising out of the operation, maintenance or use of the Common Areas.

(3) Blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. Where the Association has delegated some or all of the responsibility for the handling of funds to a Manager, bonds will be obtained and maintained for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

Fidelity bonds will be maintained on such terms and with such surety or sureties, conditions, penalties or securities as shall be deemed proper by the Board of Directors; provided, however,

(i) that no such bond shall be written in a penal amount which is less than the estimated maximum of funds including reserve funds, in the custody of the Association or Manager at any given time during the term of each or less than a sum equal to three months' aggregate assessments on all Units plus reserve funds,

(ii) such bonds shall name the Association as the oblige,

(iii) the premiums for such bonds (except with respect to bonds maintained by the Manager for its officers, employees and agents) shall be paid by the Association,

(iv) such bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expression,

(v) all such bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least fifteen (15) days prior written notice to the

Association, or to any insurance trustee with whom the Association has entered into a written insurance trust agreement and to any First Mortgagee (or service for a holder of First Lien Indebtedness). In addition to the foregoing notice in the event of cancellation or substantial modification, a similar notice to the samerecipients shall be provided for in such bonds to be given at least fifteen (15) days prior to the lapse of any such bonds.

(4) Any other insurance required by the Missouri Uniform Condominium Act, or any amendments to the Act including, but not limited to, Section 483.3-113 RSMo.

(b) The name of the insured under the foregoing described policies shall be set forth substantially as follows:

"Lantern Bay Property Owner's Association for the use and benefit of the individual Owners (which Owners may be designated by name if required by law)."

Notwithstanding the foregoing, the policies may be issued in the name of an authorized representative of the Association, including any insurance trustee (or any successor to such trustee) with whom the Association has entered into an insurance trust agreement for the use and benefit of the Owners. Loss payable provisions shall be in the favor of the Association (or such insurance trustee) as a trustee for each Owner and each such Owner's mortgagee. Each owner and such owner's mortgagee, if any, shall be beneficiaries of such policies in the percentage set forth as to such owner's condominium Unit on Exhibit "C" attached hereto and made a part hereof.

(c) Insurance policies shall contain such mortgagee protection clauses as may be required by the First Mortgagees. No such policies nor the constituent documents of the company issuing them shall contain any provisions for requiring contributions or making assessment against the Association, the Owners, or any First Mortgagee (or any successor or assign of any First Mortgagee) nor any such policies or such constituent documents provide that loss payments are contingent upon any action by such company's board of directors, policy holders or members, nor shall such policies contain any limiting clauses (other than insurance conditions) which could prevent any Owner or First Mortgagee from collecting insurance proceeds.

(d) All insurance policies must provide that they will not lapse, be canceled or modified except after thirty (30) days prior written notice to the Association and to each First Mortgagee listed as such in such insurance policy.

(e) Insurance policies shall provide:

(1) That insurance trust agreements will be recognized;

(2) That any right of subrogation against individual Owners is waived;

(3) That the coverage of the policy is not prejudiced by any act or neglect of an individual Owner to the extent that such act or neglect is not within the collective control of all Owners; and

(4) That such policy is primary in the event any owner has other insurance covering the same loss.

(f) The Board of Directors shall have the express authority, on behalf of the Association, to name as insured an authorized representative, including any trustee (or successor thereto) with whom the Association has entered into any insurance trust agreement, who shall have exclusive authority to negotiate losses under any policy providing the property or liability insurance required to be provided herein.

(g) By acceptance of a deed to a Condominium Unit, each owner shall be deemed to have irrevocably appointed the Association (which appointment shall be deemed a power coupled with an interest), together with any insurance trustee, successor trustee or authorized representative designated by the Association, as such owner's attorney-in-fact for the purpose of purchasing and maintaining the insurance required hereunder as well as for the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, that execution of all documents, and the performance of all other acts necessary to accomplish such purpose and the Association or such trustee, successor trustee or authorized representative must receive, hold or otherwise properly dispose of any proceeds of insurance in trust for the Owners and the First Mortgagees as their interests may appear.

(h) The Association shall be entitled to obtain and maintain such additional insurance coverages hereunder as board of Directors may deem necessary or appropriate. The premiums for all insurance coverages maintained by the Association pursuant to this Section 5.03 shall constitute a Common Expense and be payable by the Association.

(i) An Owner shall be responsible for obtaining and maintaining, at his sole cost and expense, insurance covering all alterations, additions and improvements to his Units and all other personal property located thereat or constituting a part thereof. Nothing herein shall be deemed or construed as prohibiting an Owner at his sole cost and expense, from obtaining and maintaining such further and supplementary insurance coverages as he may deem necessary or appropriate.

(j) The Association, and each owner by his possession or acceptance of title to a Condominium Unit, hereby waives any and every claim which arises or may arise in or his favor against any other owner or the Association for any and all loss of, or damage to, its or his property located within or upon, or constituting a part of, the Project, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent such loss or damage is recoverable thereunder. Inasmuch as the foregoing mutual waivers will preclude the assignment of any of such claim by way of subrogation (or otherwise) to an insurance company (or any other party), the Association and each owner immediately shall give to each insurance company which has issued to it or him policies of insurance written notice of the terms of this mutual waiver, and cause such policies to be endorsed, if necessary, to prevent the invalidation of such coverages by reason hereof.

5.04. Taxes. The Declarant shall give written notice to the appropriate taxing authorities of the creation of the condominium regime established hereby, and each Condominium Unit (i.e., an owner's Unit and such Owner's undivided interest in and to the General Common Elements) shall be subject to separate assessment and taxation. Each owner shall be responsible for and shall pay when due all taxes, assessments and other governmental impositions lawfully levied or assessed with respect to his Condominium Unit. Any taxes, assessments or other governmental impositions lawfully levied or assessed with respect to the Project not separately billed to the Owners shall constitute a Common Expense and be payable by the Association.

5.05. Utilities. Each owner shall be responsible for and shall pay its individual utility bills for electricity and any other utility service relating to such services used or consumed at or with respect to the occupancy of his Unit, to the extent such charges are separately metered by the respective utility companies. Any utility charges not so separately metered, and charges relating to such services used in connection with the use and maintenance of the Common elements, shall constitute a Common Expense and be payable by the Association.

ARTICLE VI

ASSESSMENTS

6.01. Monthly Assessments: Budget.

(a) The Association shall possess the right, power, authority and obligation to establish a monthly assessment1 sufficient in the judgment of the Board of Directors to pay when due all Common Expenses. Such monthly assessments so established shall be payable by the Owners on the first day of each calendar month, and shall be applied to the payment of charges for which the Association is responsible, including, without limitation, charges relating to maintenance and repair of elements of the Project not the responsibility of the Owners, care of the Common Elements, casualty, public liability and other insurance coverages required or permitted to be maintained by the Association, governmental impositions not separately levied and assessed, utilities relating to the Common Elements or not separately metered, professional services, such as management, accounting and legal, and such other costs and expenses as may reasonably relate to the proper maintenance, care, operation and management of the Project, and the administration of the Association and the condominium regime established hereby, including 1 The Association may provide that the assessment be paid on an annual basis on the 1st day of January of each year. an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements. No consent or approval of the Owners shall be required for the establishment of the monthly assessments contemplated by this Section. Collection of Assessments, as to each owner, shall commence upon the acquisition by such Owner of title to his Condominium Unit.

(b) Prior to the commencement of each fiscal year of the Association, the Board of Directors shall prepare and deliver to each of the Owners a budget setting forth the anticipated Common Expenses for the ensuing year. Such budget shall be in sufficient detail so as to inform each owner of the nature and extent of the Common Expenses anticipated to be incurred, and shall be accompanied by a statement setting forth each Owner's monthly share thereof and the date as of which such monthly assessment commences to be payable. The proposes budget shall be provided to all Unit Owners within thirty (30) days of its adoption by the Board of Directors. The Board shall set a date for a meeting of the Unit

Owners to consider ratification of the budget not less than fourteen (14) days following the mailing of the budget or a summary of the budget and not more than thirty (30) days after the mailing of the budget or a summary of the budget. Unless the budget is rejected by at least a threefourths percent (3/4%) margin of Unit Owners voting at the meeting to approve the budget, then the budget shall be deemed approved regardless of whether a quorum was present for the meeting. In the event the budget is rejected, the prior year's budget shall be deemed ratified and will continue in place until such time as a new budget is ratified.

Special Assessments. In addition to the assessments contemplated by Section 6.01, the Association shall possess the right, power and authority to establish special assessments from time to time as may be necessary or appropriate in the judgment of the board of Directors to pay non-recurring Common Expenses relating to the proper maintenance, care, alteration, improvement, operation and management of the Project and the administration of the Association and the condominium regime established hereby. Except as contemplated by Article VII, no consent or approval of the Owners shall be required for the establishment of a special assessment as contemplated by this Section 6.02, except for an special assessment relating to the alteration or improvement of any element of the Project, which must be approved by not less than seventy-five percent (75 %) of the Owners entitled to vote thereon (in interest, not in numbers) at a meeting of the Association duly called for purposes of considering same.

6.03. Obligation to Pay Assessments. Each Owner shall be personally obligated to pay his share (i.e., in accordance with his undivided interest in and to the Common Elements as set forth in Exhibit "E" attached hereto and made a part hereof) of all assessments duly established pursuant to this Article VI and Article VII. No unpaid assessments due as of the date of the new Owner (other than such new Owner's pro-rata share of any reallocation thereof); however, the old owner shall continue to be personally liable for such unpaid assessment. No obligation to pay such assessments by waiver of the use and enjoyment of the Common Elements, by an abandonment of his Unit or by any other action whatsoever. Any such assessment not paid within fifteen (15) days of the date due shall bear interest at the rate of eighteen percent (18%) per annum, and shall be recoverable by the Association, together with interest as a foresaid and all costs and expenses of collection, by suit in a court of competent jurisdiction sitting; in the county where the Land is located. It shall be the responsibility of the Board of Directors to collect any such delinquent assessment, the existence of which shall be made known by written notices delivered to the defaulting Owner and, where required, his First Mortgagee.

6.04. Lien to secure Payment of Assessments. Declarant hereby reserves and assigns to the Association, without recourse, a lien under section 448.3-116, RSMO., against each Condominium Unit to secure the payment of all assessments established pursuant to this Article VI and Article VII, and in addition, an Owner’s share of all assessments established herein shall be prior and superior to all other liens and encumbrances upon such Condominium Unit, regardless of how created, evidence or perfected, other than the liens securing the payment First Lien Indebtness and the liens for unpaid taxes, assessments and other governmental impositions. Such liens and encumbrances created herein may be enforced by any means available at law or in equity, including, without limitation, a non-judicial foreclosure sale of the Condominium Unit of a defaulting Owner, such sale to be conducted in the manner set forth under Chapter 443 of te Revised Statutes of the State of Missouri. The Association or any other Owner may be the purchaser at any such foreclosure sale. The foreclosure by a First Mortgagee of a Condominium Unit in order to satisfy First Line Indebtedness will extinguish the subordinate lien for any assessments which become payable prior to the date of such foreclosure sale.

6.05. Commencement of Obligation to Pay Assessments. Each Owner, other than Declarant, shall be obligated to commence payment of all assessments against his Unit on the date such Unit is conveyed to such Owner. If such date is other than the first day of a month, then such Owner shall be obligated to pay only a pro-rata share of the assessment against such Unit based on the number of days during such month that such owner will hold title to such Unit. During the Development Phase Declarant shall have the option of either (i) paying with respect to each Unit owned by it the amount of the monthly assessment levied against each such Unit, or (II) above, the Declarant shall also be obligated to pay any and all Common Expenses relating to current operating expenses of the Association or the Project (provided however Declarant shall not be obligated pay any portion of such Common Expenses which relate to non-current operating expenses, such as replacement reserves [other than for insurance as hereinbefore provided]) to the extent such Common Expenses exceed those portions of the assessments then being paid by Owners other than Declarant which are attributable to current operating to pay, with respect to each Unit then owned by it, the full amount of the assessments then levied against each such Unit.

ARTICLE VII

LOSS AND OBSOLESCENCE

7.01. Loss or Damage. The following provisions shall govern in the event the Project, or any part thereof, is damaged or destroyed by fire or other casualty:

(a) Prompt written notice of any such substantial damage or destruction shall be given to all First Mortgagees.

(b) If such damage or destruction does not reasonably result in substantial loss of more than two-thirds of all of the improvements, the Association promptly shall proceed with the full restoration and repair of such damage or destruction and the amount by which such restoration and repair costs exceed collectible insurance proceeds shall be and constitute a special assessment payable by the Owners within thirty (30) days of the date of notice of such special assessment is delivered to them by the Association.

(c) If such damage or destruction reasonably results in substantial loss of more than two-thirds of all of the Improvements, the Association shall: (a) Proceed with the full restoration and repair of such damage or destruction if not less than one hundred percent (100%) of the Owners entitled to vote thereon (in interest, not in numbers) shall elect within ninety (90) days of the date of such damage or destruction to so proceed at a meeting of the Association duty called for purposes of considering same, in which event the amount by which such repair and restoration costs exceed collectible insurance proceeds shall be and constitute a special assessment payable by the Owners within sixty (60) days of the date notice of such special assessment is delivered to them by theAssociation; or 2

(b) Proceed with the sale of the Project if less than one hundred percent (100%) of the Owners entitled to vote thereon (in interest, not in numbers) elect to proceed with such restoration and repair as aforesaid or fail to so elect as aforesaid within ninety (90) days of the date of such damage or destruction.

(d) Any excess insurance proceeds remaining after such restoration and repair, or any insurance and/or sales proceeds available absent such restoration and repair, shall be received and held in trust by the Association in separate accounts for each Owner according to his individual interest in the General Common Elements as set forth in Exhibit "E" attached hereto and made a part hereof, and be applied, without contribution from one such amount to another, as follows:

I. First, to the payment of any taxes and special assessment liens or other governmental impositions in favor of any assessing entity having authority with respect to such owner's Condominium Unit;

II. Second, to the payment of the balance of the First Lien Indebtedness of such Owner;

III. Third, to the payment of any delinquent assessment of the Association payable by such owner with respect to his Condominium Unit; and

IV. The balance, if any, to such owner or such other parties as shall be entitled thereto.

7.02. Matters Relating to Restoration and Repairs. Any restoration and repair work undertaken by the Association pursuant to Section 7.01 shall be performed in a good and workmanlike manner with a view to restoring the Improvements to a condition similar to that existing prior to such damage or destruction; provided, however, that in no event shall the Association be responsible for restoring, repairing, or replacing any improvements to a Unit made by an Owner, or the contents located in such Owner's Unit. All such, restoration and repair work, whether done by the Association or anOwner, shall be effected in a manner so as to observe all vertical and horizontal boundaries existing prior to such damage or destruction.

7.03. Obsolescence of General Common Elements. In the event not less than seventy-five percent (75%) of the Owners entitled to vote thereon (in interest, not in numbers) shall determine at a meeting of the Association duly called for purposes of considering same that the Common Elements, or any part thereof , are obsolete, the Association, shall promptly proceed with the necessary replacements and improvements thereto pursuant to a budget established for such purpose, and the cost thereof shall be and constitute a special assessment payable by the Owners within thirty (30) days of the date notice of such special assessment is delivered to them by the Association.

7.04. Obsolescence of the Project. In the event not less than one hundred percent (100%) of the Owners entitled to vote thereon (in interest, not in numbers) shall determine at a meeting of the Association duly called for purposes of considering same that the Project is obsolete, the Association, shall promptly proceed with the sale thereof in its entirety. Any proceeds, from such sale shall be received, held and applied for and on account of the Owners as provided in Section 7.01(d).

7.05. Association as Attorney-In-Fact. Each Owner, by acceptance or possession of title to a Condominium Unit, hereby irrevocably makes, constitutes and appoints the Association, and each and every of its successors in interest hereunder, as his true and lawful attorney-in-fact, for an in his name, place and stead, upon the damage or destruction of the Project, or any part thereof, or upon any determination by the Owners made pursuant to this Article VII, to take any and all actions, and to execute and deliver any and all instruments, as the Board of Directors may, in their sole and absolute discretion, deem necessary or advisable to affect the intents and purposes of this Article VII, hereby giving and granting unto the Association full power and authority to do and perform all and every act whatsoever requisite or necessary to be done in and about the premises as fully, to all intents and purposes, as an Owner might or could do, hereby ratifying and confirming whatsoever the Association may do by virtue hereof. It is intended by this Section 7.05 to authorize the Association, in the name and on behalf of all Owners, to do and perform all actions necessary or appropriate to effect the intent and purposes of this Article VII as aforesaid including, without limitation, the power and authority to make and settle claims under any insurance policies maintained by the Association, contract for and with respect to restoration and repair work, contract for and with respect to replacements and improvements to the Common Elements (to the extent contemplated by Sec.7.01©

(ii) or authorized as contemplated by Section 7.04), and to execute and deliver all instruments necessary or incidental to any such actions.

ARTICLE VIII

CONDEMNATION

8.01. General Provisions. If all or any part of the Project is taken or threatened to be taken by eminent domain (whether permanent or temporary) the Board of Directors and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board of Directors shall give such notice as it receives of the existence of such proceeding to all Owners and to all First Lien Mortgagees. The expense of participation in such proceedings by the Board of Directors shall be borne as a Common Expense. The Board of Directors is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board of Directors in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Board of Directors, acting as trustee, and such damages or awards shall be applied or paid as hereinafter provided. Any restoration or repair of the Project following a partial condemnation shall be performed in accordance with the provisions of this Declaration and shall follows, as early as possible, the original plans and specifications for the Project, unless otherwise approved by all First Mortgagees.

8.02. Taking of one Unit. In the event of any taking of a Unit by eminent domain or sale or other transfer in lieu thereof, the Owner and his mortgagee, if any, of such Unit shall be entitled to the award for such taking and after payment thereof, he and his mortgagee shall be divested of all interest in the Project if such owner shall vacate and abandon his Unit by virtue of such taking, if any repair or rebuilding of the remaining portion of the Project is required as a result of such taking, the remaining Owners owning a majority interest in the Common Elements either to rebuild or to repair the Project or to take such other action as such remaining Owners may deem appropriate.

If no repair or rebuilding shall be required, nor shall be undertaken, the remaining portion of the Project shall be resurveyed and the Declaration shall be amended to reflect such taking and to proportionately readjust the percentages of Ownership of the remaining Owners based upon a continuing total Ownership of the Project of one hundred percent (100%).

8.03. Taking of Common Elements. In the event no action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Unit), the Board of Directors, in addition to the general powers set out herein shall have the sole authority to determine whether to defend or resist any such proceedings, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking of Coon Elements only, all damages and awards shall be determined for such taking as a whole and not for each owner’s interest therein. After the damages or awards for such taking are determined, such damages or awards shall be held for each owner, or his mortgagee or mortgagees, as their interests shall appear, in proportion to such Owner's percentage interest in the Common Elements. The Board of Directors may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements taken or damages. In the event it is determined that such Common Elements should be replaced or restored by obtaining other Land or building additional structures, this Declaration and the Map attached hereto shall be duly instrument executed by the Board of Directors on behalf of the Owners.

8.04. Taking of Several Units. In the event that such eminent domain proceeding results in the taking of or damage to less than two-thirds (2/3) of the Units, then the damage and awards for such taking shall be determined for each Unit and the following shall apply:

a. The Board of Directors shall determine which of the Units damaged by such taking may be habitable for the purpose set forth in the Declaration, taking into account the nature of this Project and the reduced size of each Unit so damaged. b. The Board of Directors shall determine whether it is reasonably practicable to operate the remaining Units of the Project including those damaged Units which may be habitable as a condominium Project in the manner provided in this Declaration.

c. In the event the Board of Directors determines, with the consent of all First Mortgagees, that it is not reasonably practicable to operate the undamaged Units and the damaged Units which can be made habitable as a condominium Project, then the Project shall be deemed to be regrouped and merged into a single estate owned jointly in the undivided interest by all Owners, as tenants in common, in the percentage interests previously owned by each Owner in the Common Elements.

d. In the event the Board of Directors determines that it will be reasonably practicable to operate the undamaged Units and the damaged Units which can be made habitable as a condominium Project, then the damages and awards made with respect to each Unit which has been determined to be capable of being made habitable shall be applied to repair and reconstruct such Unit so that it is made habitable. If the cost of such work exceeds the amount of the aware, the additional funds required shall be assessed against the Owners of those Units which are being repaired or reconstructed so as to be made habitable. With respect to those Units which may not be made habitable, the award made with respect to each Unit shall be paid to the Owner of such Unit or his mortgagee or mortgagees, as their interests may appear, and the remaining portion of such Units, if any, shall become a part of the Common Elements and repair and uses of such Units shall be determined by the Board of Directors. Upon the payment of such award for the account of such Owner as provided herein, such Unit shall no longer be a part of the Project, and the percentage interest in the Common Elements appurtenant to each remaining Unit which shall continue as part of the Project shall be equitable adjusted to distribute the Ownership of the undivided interests in the Common Elements among the reduced number of Owners.

e. If the entire Project is taken, or two-thirds (2/3) or more of the Units is taken or damaged by such taking, all damages and awards shall be held for the accounts of all Owners, and their mortgagees, as their interests shall appear, as provided herein, in proportion to their percentage interest previously owned by each Owner in the Common Elements.

8.05. Payment of Awards and Damages. Any damages or awards provided in this Article to be paid to or for the account of any owner by the Board of Directors, acting as trustee, shall be applied first to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgage instruments duly perfected; thirdly, to the payment of any common charges or special assessments charged to or made against the Unit and unpaid; and finally to the Owner.

ARTICLE IX

DEVELOPMENT PHASE

9.01. Voting and Control. During the Development Phase the Declarant, or person designated by it, shall be entitled to appoint and remove the officers and members of the Board of Directors as provided in Section 4.05.

9.02. Election of Directors Following Period of Declarant Control. Not later than the termination of the Development Phase, the Unit Owners shall elect a Board of Directors of at least five members, at least a majority of whom shall be Unit Owners.

9.03. Addition of Phase Property. During the Development Phase, or as otherwise provided in Section

9.04(e), Declarant shall have the absolute right, without seeking the approval or consent of any Owner or First Mortgagee, to develop all or any portion of the property owned by it which is situated in the vicinity of and adjacent to the Project, such propertybeing shown on the plat which is attached hereto as Exhibit "B" and being hereinafter referred to as the "Development Rights" Land. The Declarant also maintains the privilege to use the Development Rights Land for any other purpose. In the event the Declarant should exercise its Development Rights by adding phases to the Project, mutual easements, licenses, and rights shall be granted for the benefit of the Owners of condominium Units in the Project, and the future Owners of condominium Units located in any building hereafter constructed on the Development Rights Land. In order to accomplish the orderly and complete development of the Project, and in order to ensure effective administration of the Project during each stage of development, each and every contract purchaser, Unit owner, lessee or occupant, or holder of any mortgage or other lien, by acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Project, does automatically and irrevocably consent to the further development of the Project as provided for herein. The Development Rights Land may be incorporated into the Project by amending this Declaration to include such additional Land, or any part thereof, contiguous or noncontiguous on additional exhibits numbered “A-1”, “A-2”, etc. designating such additional property as a phase of the Project, each such additional phase being numbered in the sequence of development. Each time an additional phase is added to the Project, Exhibits “C” and “E” hereto shall also be amended to show the location, placement and relative size of each additional condominium Unit in relation to the Project as a whole and the Allocated Interest of each condominium Unit of the Project following the inclusion of more Units.

Upon completion of the Project, this Declaration shall be amended by attaching hereto final Exhibits “A”,”C”, and “E” reflecting the entire Project and labeled “A-Final”, C-Final”, and “E-Final”.

9.04. Covenants of Declarant. Declarant covenants and agrees that:

a) Following the addition of Phases there shall be no more than six hundred fifty (650) Units in the Project; and

b) All improvements to the Phase Property may be of similar size, design, and appearance to the improvements which exist on the Land on the date of the filing of this Declaration, but Developer reserves the right to include within the Phase Property improvements which are materially different in size, design and appearance to the improvements in Phase I; and

c) No segment of the Phase Property will be incorporated into the Project until the Improvements intended with respect to such segment have been substantially completed as certified by a licensed and registered architect or engineer, said certification to be attached to this declaration or supplements thereto; and

d) All taxes and other assessments relating to the segment of the Phase Property then being incorporated will be paid, or sufficient funds for the payment thereof, will be escrowed with a commercially bonded, title company, prior to the incorporation of such segment of the Phase Property; and

e) If Declarant exercises it development right in each successive phase, it shall exercise said right within five (5) years after final completion of the preceeding phase.

ARTICLE X

MISCELLANEOUS

10.01. Revocation of Declaration. This Declaration ay be revoked, but only by an instrument in writing, duly executed and acknowledged by eighty percent (80%) of all Owners duly filed of record in the county in which the Project is located.

10.02. Amendment to Declaration. This Declaration may be amended, but only by an instrument in writing, fully executed and acknowledged by not less than sixty-seven percent (67%) of the Owners (in interest, not in numbers) and filed of record in the county in which the Project is located. Any such amendment so effected shall be binding upon all of the Owners.

The association shall give each First Mortgagee written notice of any proposed action or amendment which pursuant to the provisions hereof require the approval of the First Mortgagees.

10.03. Partial Invalidity. In the event any provision of this Declaration, the By-Laws or the regulations shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall in no ways impair or affect the validity or enforceability of the remainder of such instruments.

10.04. Conflicts. In the event any of the provisions of this Declaration, the By-Laws or the regulations shall be in conflict with the provisions of the Act or the Not-for-Profit Corporation Act, the provisions of such statutes shall control. In the event that a conflict exists between the provisions of this Declaration and the By-Laws, the provisions of this Declaration shall control.

ARTICLE XI

VACATION OWNERSHIP

11.01. Timeshare Estates. A TIMESHARE PLAN OR PLANS, AS THAT TERM IS DEFINED IN SECTION 407.600(11) OF THE MISSOURI STATUTES, MAY BE CREATED WITH RESPECT TO SOME OR ALL OF THE CONDOMINIUM UNITS

IN THE PROJECT. This declaration permits an Owner to establish a timeshare regime for any Condominium Unit or Units for which he is deemed to be an owner. Any such timeshare regime shall include its own property owners' association, or other vehicle as may be lawfully permitted to administer the timeshare regime for the benefit of any and all owners therein. The Association shall not be responsible for, nor bear the cost of, the creation or administration of any such timeshare regime. All timeshare owners within any timeshare regime shall appoint as an agent or attorney-in-fact an entity which shall be charged with representing all such timeshare owners on behalf of their Condominium Unit(s) in matters of the Association.

IN WITNESS WHEREOF, the Declarant has duly executed this Declaration as of the 3rd day of Sept., 1997.

LANTERN BAY CONDOMINIUMS, INC.

Charles Heidelberg, President

State of Missouri

County of _____)

On this 3rd day of Sept., 1997 before me, a Notary Public, personally appeared Charles Heidelberg, President of Lantern Bay Condominiums, Inc., a Missouri Corporation, who being by me first duly sworn declared that the foregoing instrument was signed by him under proper authority in his capacity as President on behalf of the aforesaid corporation, acknowledging said instrument to be his free act and deed.

Ginnie L Miller Notary Public

Greene County State of Missouri Ginnie L Miller

Notary Seal

My term Expires 12/22/97

[OFFICIAL SEAL}

LANTERN BAY CONDOMINIUMS, INC.

EXHIBIT “E-1”

TO REFLECT THE ADDITION OF PHASE II OF THE PROJECT

Units in Phase I: Each Unit’s

Allocated Interest in the

Building # Unit # Common Elements *

1 through 10, 1-6, inclusive 1/90th

Inclusive

Units in Phase II:

17 through 21,

Inclusive 1-6, inclusive 1/90th

* Any Fractional Interests within a Whole Unit shall be share the Unit’s total Allocated Interest

as set forth above on a pro-rata basis.

LANTERN BAY CONDOMINIUMS, INC.

EXHIBIT “E-2”

TO REFLECT THE ADDITION OF PHASE III OF THE PROJECT

Units in Phase I: Each Unit’s

Allocated Interest in the

Building # Unit # Common Elements *

1 through10, 1-6, inclusive 1/120th

Inclusive

Units in Phase II:

Building # Unit #

17 through 21, 1-6, inclusive 1/120th

Inclusive

Units in Phase III:

Building # Unit #

11 through 15,

Inclusive 1-6, inclusive 1/120th

* Any Fractional Interests within a Whole Unit shall be share the Unit's total Allocated Interest

as set forth above on a pro-rata basis.

LANTERN BAY CONDOMINIUMS, INC.

EXHIBIT "E-3

TO REFLECT THE ADDITION OF PHASE IV OF THE PROJECT

Units in Phase I:

Each Unit's

Allocated Interest in the

Building # Unit # Common Elements *

1 through 10, 1-6, inclusive 1/156th

Inclusive

Units in Phase II:

Building # Unit #

17 through 21, 1-6, inclusive 1/156th

Inclusive

Units in Phase III:

Building # Unit #

11 through 15,

Inclusive 1-6, inclusive 1/156th

Units in Phase IV:

Building # Unit #

24 through 26, 1-6, inclusive 1/156th

Inclusive

37 through 39, 1-6, inclusive 1/156th

Inclusive

*Any Fractional Interests within a Whole Unit shall be share the Unit's total Allocated

Interest as set forth above on a pro-rata basis.

LANTERN BAY CONDOMINIUMS, INC.

EXHIBIT "E-4"

TO REFLECT THE ADDITION OF PHASE IV OF THE PROJECT

Units in Phase I:

Each Unit's

Allocated Interest in the

Building # Unit # Common Elements *

1 through 10, 1-6, inclusive 1/180th

Inclusive

Units in Phase II:

Building # Unit #

17 through 21, 1-6, inclusive 1/180th

Inclusive

Units in Phase III:

Building # Unit #

11 through 15,

Inclusive 1-6, inclusive 1/180th

Units in Phase IV:

Building # Unit #

24 through 26, 1-6, inclusive 1/180th

Inclusive

37 through 39, 1-6, inclusive 1/180th

Inclusive

Units in Phase V:

Building # Unit #

27 through 30, 1-6, inclusive 1/180th

Inclusive

*Any Fractional Interests within a Whole Unit shall be share the Unit’s total Allocated

Interest as set forth above on a pro-rata basis.