

**MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
ESTATES AT HIGHGROVE AND VILLAS AT HIGHGROVE
MASTER HOMEOWNERS ASSOCIATION**

THIS MASTER DECLARATION, made and entered into as of this 22nd day of July, 1999 by JMB Mill Creek L.L.C., a Missouri limited liability corporation ("JMB") and WHITTAKER CONSTRUCTION, INCORPORATED, a Missouri corporation ("Declarant").

WITNESSETH:

WHEREAS, JMB is the owner of the real estate more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with any improvements thereon and any appurtenances belonging thereto (said real estate, improvements and appurtenances being hereinafter called the "Master Common Ground"); and

WHEREAS, Declarant has contracted to purchase the Property pursuant to that certain Contract For Sale dated August 31, 1998, as amended; and

WHEREAS, JMB and Declarant have incorporated the Estates at Highgrove and Villas at Highgrove Master Homeowners Association, a Missouri nonprofit corporation (the "Corporation"); in order to hold title to the Master Common Ground so that the Corporation may own and operate the Master Common Ground as an amenity for the benefit of the owners of lots ("Lots") in the Estates at Highgrove, as recorded in Plat Book 36 Page 10-103 of the St. Charles County Recorder of Deeds office ("Estates") and the Villas at Highgrove, as recorded in Plat Book 36, Page 04-105 of the St. Charles County Recorder of Deeds office ("Villas"), and such other parcels of real estate as may be developed by Declarant for residential occupancy (including, without limitation, single-family homes, townhouses, cluster homes, and villas) to be part of the Estates or Villas developments and as are so designated by Declarant executing and recording an amendment to this Declaration (all such owners shall hereinafter be referred to as "Owners"); and

WHEREAS, JMB and Declarant intend, by recordation of this Declaration, to subject the Master Common Ground and the Subdivision (defined below) to the terms and provisions of this Declaration.

NOW, THEREFORE, JMB and Declarant hereby declare that the Master Common Ground and any part thereof, shall be held, sold, and conveyed to the Corporation subject to the following restrictions, covenants, and conditions, which shall run with the real property and be binding on all parties having any right, title, or interest

in the Master Common Ground or any part thereof and shall inure to the benefit of the Corporation, its successors and assigns.

ARTICLE I DEFINITIONS

1. "Assessment Year" shall be the calendar year.
2. "Association" shall mean and refer respectively to the Estates at Highgrove Homeowners Association and the Villas at Highgrove Homeowners Association, their respective successors and assigns.
3. "City" shall mean and refer to the City of O'Fallon, Missouri, a City of the Fourth Class pursuant to the laws of the State of Missouri.
4. "Common Ground" shall mean and refer to those areas of land within the Subdivision which are now or hereafter conveyed to an Association, together with the improvements thereon, which are intended to be devoted to the common use and enjoyment of all Owners in the Subdivision in which such Common Ground is located. Common Ground shall not include those areas designated as "Master Common Ground" under (i) this Master Declaration or (ii) any deed of conveyance to the Master Association designating the property conveyed thereunder as Master Common Ground.
5. "Declarant" shall mean and refer to Whittaker Construction, Incorporated, a Missouri corporation, and to its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot or Unit from Declarant for the purpose of development and the deed of conveyance designates the grantee as a Declarant.
6. "Directors" or "Board of Directors" shall mean and refer to the Board of Directors of each Association, provided, if an Association is formed as a Limited Liability Corporation, then the same shall mean and refer to the Board of Managers of such Association.
7. "Dwelling" or "Dwellings" shall mean and refer to the residential dwellings, including, without limitation, single-family homes, cluster homes, townhouses, and/or villas constructed or to be constructed upon the respective Lots.
8. "Estates Association" shall mean and refer to the Estates at Highgrove Homeowners Association, its successors and assigns.
9. "Lot" or "Lots" shall mean and refer to the separately designated and numbered lots shown on the Plat, each of which contain or shall contain a single Dwelling, or the separately designated and numbered lots indicated on any supplemental plat of property subjected to this Declaration from time to time.

10. "Master Association" shall mean the Estates at Highgrove and Villas at Highgrove Master Homeowners Association, a Missouri nonprofit corporation, its successors, and assigns.

11. "Master Board of Directors" shall mean and refer to the Board of Directors of the Master Association.

12. "Master Common Ground" shall mean (i) all areas labeled "Master Common Ground" (if any) on the Plat (as hereinafter defined) and improvements therein, as more fully set forth in the Master Declaration, or (ii) any area described in a deed of conveyance to the Master Association as Master Common Ground.

13. "Master Declaration" shall mean this Master Declaration of Covenants, Conditions and Restrictions, as recorded in ~~Book 2286~~ Book 2286 ~~Page 1067~~ Page 1065 of the St. Charles County Recorder of Deeds' office, as the same may be amended from time to time.
 * on July 30, 1999, Book 2286, Page 1065.

14. "Owner" or "Owners" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or Unit which is a part of the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

15. "Plat" shall mean and refer to the plats of the Estates at Highgrove, recorded in Plat Book 312, Pages 101-103 of the Office of Recorder of Deeds for the County of St. Charles, Missouri, and the Villas at Highgrove recorded in Plat Book 36, Pages 104-105 of the Office of Recorder of Deeds for the County of St. Charles, Missouri, which are incorporated herein by reference, and which plats reflect, among other matters, the Lots, Common Ground, Master Common Ground, and certain utility easements. "Plat" shall also mean and refer to any additional subdivided property made subject to or benefitted by this Declaration from time to time by amendment in the manner provided herein.

16. "Subdivision" shall mean and refer to the real estate, as shown on the Plat, together with such additional parcels of real estate which may be subjected to or benefitted by this Declaration from time to time by amendment in the manner provided herein.

17. "Unit" shall mean the separately designated and numbered area identifying each attached dwelling within the Subdivision.

18. "Villas Association" shall mean and refer to the Villas at Highgrove Homeowners Association, its successors and assigns.

ARTICLE II
PROPERTY RIGHTS

BOOK 2286 PAGE 1068

1. Master Common Ground.

A. Obligations of the Master Association. The Master Association, subject to the rights and obligations of the Owners set forth in this Declaration, as it may be amended and/or supplemented from time to time, shall have the right to and shall be responsible for, the exclusive management and control of the Master Common Ground and improvements thereon, together with the fixtures, equipment, and other personal property of the Master Association related thereto. The Master Common Ground shall be used and operated solely for leisure and recreational purposes for the benefit of the Owners. The Master Common Ground shall be operated and maintained in accordance with the terms of this Master Declaration as more fully set forth hereinbelow.

B. Owners' Easements and Rights of Enjoyment. Subject to the terms and provisions of this Declaration, each Owner, and such Owner's family, guests and invitees shall have a nonexclusive, perpetual right and easement of ingress, egress, use and enjoyment over, across, upon, in and to the Master Common Ground, which easement shall include, without limitation, the right of access to and from, and use of, the Master Common Ground and the right to use utility, water, sewer, drainage and ponding easements therein. Such right and easement shall be appurtenant to and shall pass with the title to each Lot or Unit that is part of the Subdivision, shall not be severable therefrom, and shall be subject to the following provisions:

(i) the right of the Master Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Master Common Ground;

(ii) the restriction that any Owner's voting rights and the right of such Owner, his or her family, guests, and invitees to use the Master Common Ground and any improvements or recreational facilities therein shall be automatically suspended for any period during which any assessment against such Owner's Lot or Unit remains unpaid after the payment is due; and the right to suspend the same for a period not to exceed sixty (60) days for any infraction of the Master Association's published rules and regulations;

(iii) the right of the Master Association to dedicate all or any part of the Master Common Ground to any public agency, authority, or utility for such purposes and subject to such conditions as may be deemed advisable by the Master Association;

(iv) the right of each other Owner and such Owner's family, guest and invitees, to the open, unimpeded and unobstructed use of the Master Common Ground, as provided in and restricted by this Article;

(v) the restriction that no Owner or member of such Owner's family or any guest or invitee of any Owner or such Owner's family, shall operate, drive, ride, store or otherwise place any motorized vehicles on, in, or about any part of the Master Common Ground, including, but not limited to, cars, go-carts, trailers, recreational vehicles (RVs), sleds, snow mobiles, recreational motor vehicles, trucks, vans, all-terrain vehicles (ATVs), motorcycles, motorized bicycles, motortricycles, dirt bikes, minibikes, tractors, truck-tractors, campers, and house trailers;

(vi) the restriction that no Owner or member of such Owner's family or any guest or invitee of any Owner or such Owner's family shall swim in or ice-skate upon any lakes or ponds in the Master Common Ground or operate, drive, ride, store, or otherwise place any watercraft (motorized, self propelled, propelled or drawn by human, wind, sail, water, fuel, or otherwise), including, without limitation, boats, vessels, motorboats, sailboats, sailboards, canoes, rafts, jet skis, and kayaks, on, in, or about any part of the Master Common Ground;

(vii) the easements, uses, limitations, conditions, reservations and restrictions hereinafter provided in this Declaration; and

(viii) the right of the Master Board of Directors, on behalf of the Master Association, to negotiate with any public agency for the conveyance of all or any part of the Master Common Ground, for any public purpose, and to execute such instruments as may be necessary for such purpose, subject to the proceeds of any such conveyance being held by the Master Association in trust for the Owners.

Under no circumstances whatsoever shall any Owner have a right or easement of view or sight over any part of the Master Common Ground and to the extent any may be implied or created by this Declaration or by operation of law, then the same is expressly disclaimed. Each Owner and such Owner's family, guests and invitees shall use and exercise their easement rights over the Master Common Ground in a reasonable manner so as not to endanger or harm others, create a nuisance for others, or cause any obstruction or impediment to the use of the easements created by this Declaration by others authorized to use them.

C. Master Association Right to Grant Easements and Easement Over Lots and Common Ground. The Master Association shall have the right to grant permits, licenses, and easements over the Master Common Ground for utilities, roads, and other purposes necessary for the proper operation of the Subdivision.

A perpetual, nonexclusive easement is hereby established in favor of the Master Association, its employees, agents, contractors, successors and assigns for a reasonable right of entry on any Lot or Common Ground to perform repairs or to do other work reasonably necessary for the proper maintenance of the Master Common Ground and/or to perform any of the powers, rights and duties available to or imposed upon the Master Association by this Master Declaration and/or the Bylaws of the Master Association, including, without limitation, enforcing the covenants and restrictions imposed by this Master Declaration. Any such entry may be without notice to any such Owner and neither the Master Association, its Board, officers, agents, contractors, nor employees shall be liable for trespass by exercising any such easement or right reserved hereunder.

D. Utility Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area shown on the Plat and all improvements in it shall be maintained continuously by the Association, except for those improvements for which a public authority or utility company is responsible.

E. Temporary Construction Easement. Until the last Lot in the Subdivision is sold and conveyed to an Owner other than the Declarant, the Master Common Ground shall be subject to an easement allowing Declarant, its employees, agents, contractors and subcontractors to enter upon and over such portion of the Master Common Ground for the purpose of grading and construction on the Master Common Ground.

F. Conveyance of Title. Subject to the provisions of this Declaration, title to the Master Common Ground shall be conveyed to the Master Association no later than the date by which the Declarant Directors no longer serve on the Master Board of Directors. Upon termination of the Declaration, title to the Master Common Ground shall vest in the then Owners as tenants in common. The rights of such tenants shall only be exercisable appurtenant to and in conjunction with their Lot or Unit ownership and any conveyance or change of Lot or Unit ownership shall convey ownership in the Master Common Ground, as no interest in the Master Common Ground shall be conveyed by any such tenant except in conjunction with the sale of such tenant's Lot or Unit.

ARTICLE III BOARD OF DIRECTORS

1. Self-Perpetuating Board of Directors. Owners shall not vote for Directors

and in lieu of such vote, the Master Association shall have a self-perpetuating Board of Directors, selected as provided in Section 4 hereof.

2. Powers. Except as may otherwise provided in the Articles of Incorporation of the Corporation, the property and affairs of the Corporation shall be managed by the Master Board of Directors of the Master Association. The Master Board of Directors shall have and is vested with all powers and authorities, except as may be expressly limited by law, the Articles of Incorporation of the Corporation, or the Bylaws, to supervise, control, direct, and manage the property of the Corporation, the affairs and activities of the Corporation, to determine the policies of the Corporation, to do or cause to be done any and all lawful things for and on behalf of the Corporation, to exercise or cause to be exercised any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes including, but not limited to, the right to:

(a) Adopt and publish rules and regulations governing the use of the Master Common Ground, and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the Master Common Ground of an Owner during any period in which such Owner shall be in default of the payment of any Assessment levied by the Master Association or any relevant Association.

(c) Prescribe and enforce reasonable rules and regulations with respect to the amenities, within the Master Common Ground as is necessary to maintain, supervise, and insure the proper use of such amenities by the Owners and occupants of Lots and Units and by necessary public utilities, including the right (to themselves and to others to whom they may grant permission) to construct, operate, and maintain on, over, and under said area sewers, pipes, wires, and other facilities and public utilities for service to the Master Common Ground;

(d) To construct, reconstruct, operate, manage, maintain, repair, and replace paths, storm sewers, pavement, curbing, street lights, gutters, or other improvements in and upon the Master Common Ground. To construct, operate, manage, reconstruct, maintain, repair and replace appropriate gates or entranceways at all or any of the points where said paths terminate or intersect any public street or highway; to exercise full authority over entrances to the Master Common Ground now or hereinafter existing from any adjoining public highways or other means of entry; and to plant, grow, and preserve trees and shrubbery in any appropriate places in or upon said paths, parkways, and all other Master Common Ground;

(e) Publicly dedicate all or any part of the Master Common Ground to any public agency for such purposes and subject to such conditions as may be agreed to by the Master Board, as reflected by an instrument signed by a majority of the Master Board of Directors and recorded;

(f) Abandon an easement or portion thereof by executing and recording a proper and appropriate instrument in the Office of the Recorder of Deeds of St. Charles County, Missouri, and when such abandonment is approved by any public agency to which the easement is dedicated;

(g) To prevent and defend, in their own names or that of the Master Association, as may be required by law for the pursuit of such action, any infringement and to compel the performance of any restrictions set out herein. This provision is intended to be cumulative and not to limit the right of any Owner to proceed in his or her own behalf, but the power and authority herein granted to the Master Board of Directors is intended to be discretionary and not mandatory. The costs and expenses incurred by the Master Board of Directors in any such proceeding shall be refunded out of any costs or damages recovered or may be paid out of any general fund then on hand or thereafter collected by general assessment against the Owners;

(h) Clean up and remove rubbish, debris, grass, growth and weeds; and to mow, trim, cut back, remove, plant, replace and maintain trees, shrubbery, lawns, and flowers upon any part of the Master Common Ground, and otherwise to maintain, improve, and keep in good repair all facilities located within the Master Common Ground;

(i) Receive, hold, convey, dispose of, and administer in trust for any purpose mentioned herein any gift, grant, conveyance, or donation of money or real or personal properties;

(j) Exercise for the Master Association all powers, duties, and authority vested in or delegated to the Master Association and not reserved to the membership by other provisions of the bylaws or by the Articles of Incorporation of the Corporation;

(k) As more fully provided herein to establish, levy, collect, and enforce the Assessments and Special Assessments authorized herein;

(l) Cause all officers or employees having fiscal responsibilities to be bonded, as they deem appropriate;

(m) administer the affairs of the Master Association and of the Master Common Ground;

(n) formulate policies for the maintenance, management, operation, repair and replacement of the Master Common Ground and improvements and obtain such services that provide for the public health, safety and welfare of the

Master Common Ground as the Master Board of Directors may consider advisable;

(o) provide for payments for all maintenance, management, operation, repair and replacement of the Master Common Ground and improvements and also the collection and payment of any Assessment or Special Assessment pursuant to this Master Declaration, and to approve payment vouchers or to delegate such approval to the officers or the managing agent;

(p) provide for the designation, hiring and removal of employees and other personnel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Master Common Ground and improvements;

and to delegate any such powers to a managing agent (and any such employees or other personnel that may be the employees of said managing agent);

(q) estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such common expenses, as hereinafter provided;

(r) collect funds owing to the Master Association from persons or entities other than Owners who, by provision of this Declaration, are entitled to use the Master Common Ground and who are obligated to share in expense for the improvement and maintenance of the Master Common Ground;

(s) grant easements and rights-of-way over the Master Common Ground to such utility companies or public agencies or others as the Master Board of Directors shall deem necessary or appropriate;

(t) make all contracts and incur all liabilities necessary, related, or incidental to exercise the Master Board of Directors' power and duties hereunder;

(u) obtain, in the Master Board of Directors' discretion, adequate liability and hazard insurance on the Master Common Ground, as well as insurance protecting the Master Board of Directors from any and all claims for damages arising out of any decision, act, or failure to act, of the Master Board of Directors acting in their capacity as directors;

(v) exercise all other necessary or appropriate powers and duties commonly exercised by a board of directors and all powers and duties of the Master Board of Directors as stated in the Master Declaration;

(w) enforce the Master Declaration, and any and all restrictions governing the Master Common Ground and to take any and all necessary steps to secure the enforcement and compliance of the same; and

(x) exercise any and all other powers or acts as are authorized by the Master Declaration.

3. Restrictions. The powers described in Section 2 hereof are restricted as follows:

A. The Master Board of Directors shall not authorize or permit the Master Association to engage in any activity not permitted to be transacted by the Articles of Incorporation of the Corporation or by a Corporation organized under The Missouri Nonprofit Corporation Act;

B. None of the powers of the Master Association shall be exercised to carry on activities, otherwise than as an insubstantial part of its activities, which are not in themselves in furtherance of the purposes of the Master Association; and

C. All income and the property of the Master Association shall be applied exclusively for its not-for-profit purposes. No part of the net earnings or other assets of the Master Association shall inure to the benefit of any Director, officer, contributor, or any other private individual having, directly or indirectly, a personal or private interest in the activities of the Master Association.

4. Number, Qualifications, Selections, Voting Power, Terms of Offices and Vacancies. Each Director appointed by Declarant to replace JMB-appointed directors named in the Articles of Incorporation of the Corporation shall hold office, unless sooner replaced or removed by Declarant or disqualified, until six months after ninety-five percent (95%) of the Lots and Units in the Subdivision are sold by the Declarant to a third party ("Declarant Directors"), provided, however, Declarant may, in its sole discretion, accelerate the date for the cessation of Declarant Directors serving on the Master Board of Directors by giving notice to the Master Board of Directors. Upon the giving of such notice or six months after ninety-five percent (95%) of the Lots and Units in the Subdivision are sold by Declarant to a third party, whichever is applicable, Declarant Directors shall cease serving on the Master Board.

In addition to the foregoing directors, each Board of Directors of each of the Associations shall annually select one of their directors to serve on the Master Board of Directors ("Association Directors"). All Association Directors shall serve until the expiration or earlier termination of his or her term as a member of the Board of Directors of his or her respective Association, as the case may be. The Directors of each Association shall choose from among themselves to fill vacancies that may occur with respect to their representative to the Master Board of Directors.

Each of the Declarant Directors shall have two votes on the Master Board and each Association Director shall have one vote on the Master Board. In the case of a tie vote on the Master Board, the President of the Master Association shall break the tie.

At such time as the Declarant Directors cease to serve on the Master Board of Directors, the number of directors on the Master Board shall change to three directors and the composition of the Board shall alternate each year between having a majority of Estates Association Directors and a majority of Villas Association Directors. For the first calendar year following the cessation of Declarant Directors, the Master Board shall consist of one director from the Estates Association Board of Directors and two directors from the Villas Association Board of Directors. For the second calendar year following the cessation of Declarant Directors, the Master Board shall consist of two directors from the Estates Association Board of Directors and one director from the Villas Association Board of Directors. In the third year following such cessation, the Master Board composition shall again revert to two Villas Association directors and one Estates Association director and so on into the future such that in every odd numbered year following the cessation of Declarant Directors the Master Board shall consist of a majority of Villas Association Directors and every even numbered year following the cessation of Declarant Directors the Master Board shall consist of a majority of Estates Association Directors.

5. Compensation. Neither Declarant Directors nor Association Directors as such shall receive any stated salaries for their services; but nothing herein contained shall be construed to preclude any such Director(s) from serving the Master Association in any other capacity and receiving compensation therefor. Any Director on the Master Board of Directors may be reimbursed for his or her actual expenses reasonably incurred in attending meetings and in rendering services to the Master Association in the administration of its affairs.

6. Resignation. Any Director may resign from the Master Board of Directors; such resignation shall be in writing and shall be effective immediately or upon its acceptance by the Master Board of Directors, as such resignation shall provide.

7. Quorum. A majority of the number of Declarant Directors fixed by this Declaration shall constitute a quorum for the transaction of business while Declarant Directors still serve on the Board and the act of a majority of Association and Declarant

Directors at a meeting at which a quorum is present shall be the act of the Master Board of Directors, provided, notwithstanding the foregoing, when no Declarant Directors remain on the Master Board, a majority of Association Directors shall be required to have a quorum. In the absence of a quorum, a majority of the Master Directors present at a meeting, or the Director, if there be only one present, may successively adjourn the meeting from time to time, not to exceed thirty days in the aggregate, until a quorum is obtained, and no notice other than an announcement at the meeting need be given of such adjournment.

8. Actions without Meetings. Any action which is required to or may be taken at a meeting of the Master Board of Directors may be taken without a meeting if consents in writing, setting forth the actions so taken, are signed by all of the Directors of the Master Board of Directors. The consents shall have the same force and effect as the unanimous vote at a meeting duly held.

9. Records. The Master Board of Directors shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Master Common Ground, specifying and itemizing the common expenses incurred. Such records and the vouchers authorizing the payments of such expenses shall be available for examination by the Owners, and by the holders of a first mortgage or first deed of trust on any Lot or Unit, at convenient hours on week-days. Payment vouchers may be approved in such manner as the Master Board of Directors may determine.

ARTICLE IV BUDGET, ASSESSMENTS AND SUBDIVISION LIEN

1. Creation of the Subdivision Lien. Each Owner of a Lot or Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association: (1) regular assessments and charges (including, without limitation, assessments for the improvement, betterment, upkeep, maintenance, repair and replacement of Master Common Ground and improvements therein ("Assessments"), and (2) special assessments ("Special Assessments") for capital improvements, such assessments to be established and collected as hereinafter provided. The Assessments and Special Assessments together with interest, costs, and attorneys' fees, shall be a charge on each Lot or Unit and improvements thereon and shall be, upon levying of the same, a continuing lien upon the Lot or Unit against which the Assessment or Special Assessment is made. Each such Assessment or Special Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot or Unit at the time the Assessment or Special Assessment became due. Notwithstanding the foregoing, no Assessments or Special Assessments shall be charged against Lots or Units owned by Declarant and Declarant shall have no obligation to pay Assessments or Special Assessments relating to Lots or Units owned by Declarant at any time.

2. Purpose of Assessment. The Assessments levied by the Master Association shall be used exclusively to promote the health, safety, and welfare of the residents of the Subdivision, for the improvement, betterment, maintenance, upkeep, repair and replacement of the Master Common Ground, any recreational facilities constructed by Declarant or the Association for use by the Owners and otherwise to fulfill and perform the Master Association's rights, duties, obligations and functions pursuant to this Master Declaration.

3. Establishment of Budget and Assessments.

A. Unless the Master Board of Directors otherwise decides, the fiscal year of the Master Association shall be a calendar year. On or before the end of each Assessment Year, the Master Board of Directors shall cause to be prepared an estimated annual budget for the next Assessment Year. Such budget shall take into account the estimated expenses and cash requirements for the Assessment Year, including, without limitation, salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, water and other common utilities, management fees, expenses associated with Master Common Ground and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone, electricity, gas, and other individual utility expenses billed or charged to the separate Owners on an individual or separate basis rather than a common basis) and the amount determined by the Board of Directors of the Master Association to be necessary for any expenses associated with or necessary or desirable for the maintenance, betterment, upkeep, improvement, repair or replacement of the Master Common Ground and any improvements located therein. The annual budget may provide for a reserve for contingencies for the Assessment Year and a reserve for replacements, in reasonable amounts as determined by the Master Board of Directors. To the extent that the Assessments and other cash income collected from the Owners during the preceding years shall have been more or less than the actual expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

B. Notwithstanding any term, provision or condition hereof to the contrary, the Master Board may, in its sole discretion, elect to delegate the levying and collecting of the Assessments and/or Special Assessments to one or more of the Associations for a particular Plat. If so delegated, the Association for such Plat shall have an absolute duty to levy and collect such Assessments or Special Assessments, as the case may be, and shall, at the Master Board's election, be jointly and severally responsible and liable along with the delinquent Owner for any nonpayment thereof.

C. Unless delegated for collection as specified hereinabove, the Owners of each Lot or Unit, as applicable, shall pay, on or before the 1st day of

each Assessment Year, as such Lot's or Unit's respective annual Assessment, such Lot's or Unit's share of the estimated annual budget for each Assessment Year as estimated and determined by the Board and approved by the Directors.

D. The Master Board of Directors shall prepare the annual Budget and shall fix the Assessment, provided that the Assessment may be increased by more than ten percent (10%) in any given Assessment Year only by approval of at least two-thirds of each of the Boards of Directors of Associations whose Subdivisions are affected thereby and by a majority of the Master Board at a meeting at which a quorum of each Board is present in accordance with the voting procedures set forth herein. Copies of the estimated annual budget shall be furnished by the Master Board of Directors to the Owners not later than thirty (30) days prior to the beginning of such Assessment Year. Any institutional holder of a first mortgage or first deed of trust on any Lot or Unit shall receive at no cost, if it so requests in writing, said statement from the Master Board of Directors. On or before the first day of each succeeding Assessment Year, and without further notice, the Owners of each Lot or Unit shall pay, as the respective annual Assessment for such Lot or Unit, such Lot's or Unit's share of the expenses for such Assessment Year as shown by the annual budget. In the event that the Master Board of Directors shall not approve an estimated annual budget or shall fail to determine new Assessments for any Assessment Year, or shall be delayed in doing so, the Owners shall continue to pay each year the annual Assessment as last determined. All Owners shall pay the annual Assessments to the managing agent or as may be otherwise directed by the Master Board of Directors.

E. The Master Board of Directors shall cause to be kept a separate account for each Lot or Unit showing the respective Assessments charged to and paid by the Owners of such Lot or Unit, and the status of such account from time to time. Upon ten (10) days written notice to the Master Board of Directors, and the payment of a reasonable fee therefor, any Owner or holder of a first mortgage or first deed of trust on any Lot or Unit shall be furnished a statement of the respective account for such Lot or Unit setting forth the amount of any unpaid Assessments that may be due and owing.

F. In the event that during the course of any Assessment Year, it shall appear to the Master Board of Directors that the monthly Assessments, determined in accordance with the estimated annual budget for such Assessment Year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such Assessment Year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year. Copies of such supplemental budget shall be made available to each Owner and, notwithstanding any provision hereof to the contrary, any additional Assessment necessary to cover such deficiency shall be

levied in a fair and equitable manner within the sole discretion of the Master Board of Directors.

4. Special Assessments for Capital Improvements. In addition to the Assessments authorized above, the Association may levy, in any Assessment Year, a Special Assessment applicable to that Assessment Year only, for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Common Ground during that year including fixtures and personal property related thereto, provided that Special Assessments shall be approved by at least two-thirds of each of the Boards of Directors of Associations whose Subdivisions are affected thereby and by a majority of the Master Board at a meeting of each such Board at which a quorum is present.

5. Uniform Rate. Assessments and Special Assessments must be fixed at a uniform rate for all Lots or Units within a Plat, provided, however, the Master Board may, in the Master Board's discretion, set different rates for Assessments and Special Assessments among different Plats to pay for the costs associated with improvements that are unique to one Plat and not generally benefiting all of the Subdivision. For example, by way of illustration only and not limitation, if any Plat has private streets, the Master Board may set the rate of Assessment or Special Assessment for such Plat at a different rate from those of other Plats, in the Master Board's discretion, to provide for the maintenance of such streets. Notwithstanding the foregoing, the fact that a swimming pool, club house, nature area, path or other recreational amenity may be located in one Plat and not another shall not be a basis upon which to set different rates of Assessments or Special Assessments as any swimming pool, nature area, path or other recreational amenity in the Master Common Ground is available and intended to be used by all Owners.

6. Commencement of Annual Assessments. Each Owner shall pay his first annual Assessment upon the closing of the purchase of his Lot or Unit, adjusted according to the number of months remaining in the Assessment Year. Thereafter, annual Assessments shall be paid as provided herein. In addition to the foregoing, each Owner purchasing a Lot or Unit from the Declarant shall pay an initial set-up fee to be deposited with the Association which shall be in such amount as the Declarant shall determine but which shall be uniform for all Owners.

7. Non-payment of Assessments. Any Assessment or Special Assessment not paid within thirty (30) days after the date levied shall bear interest from the date levied at the lesser of (i) the rate of ten percent (10%) per annum, or (ii) the maximum rate per annum allowed by law. The Master Association and the Master Board of Directors shall have the authority to exercise and enforce any and all rights and remedies as provided in this Declaration, the Declaration of Covenants for any particular Plat if the levying and collecting of Assessments and/or Special Assessments has been delegated to the Association Board of Directors for such Plat, or as otherwise available at law or in equity, including, but not limited to, the right to foreclose the lien

against the defaulting Owner's Lot or Unit in like manner as a mortgage on real estate or a power of sale under Chapter 443, R.S.Mo. In addition to the foregoing, any Owner's voting rights and the right of such Owner, his family, guests and invitees to use the improvements and recreational facilities in the Master Common Ground shall be automatically suspended for any period during which any assessment against such Owner's Lot or Unit remains unpaid after the date the same is due. No Owner may waive or otherwise escape liability for the Assessments and Special Assessments established herein by non-use or abandonment of such Owner's Lot, Unit, Master Common Ground, or the Common Ground. In the event the Master Association Board of Directors has elected to delegate the levying and collecting of Assessments and/or Special Assessments to an Association, and thereby impose on the Association the duty, expense and risk of collecting Assessments and/or Special Assessments, as the case may be, the Master Association may, at its sole option, elect to enforce any rights or remedies provided to the Association in its Declaration or at law or in equity to collect unpaid assessments levied by or on behalf of the Master Association against any Owner who is delinquent or against the Association itself, including, but not limited to, the right to foreclose the lien against the defaulting Owner's Lot, Unit or the Common Ground in like manner as a mortgage on real estate or a power of sale under Chapter 443, R.S.Mo.

8. Unexpended Assessments and Special Assessments. All funds paid from time to time by Owners for Assessments and Special Assessments, from time to time on hand and unexpended shall be deemed to be owned equally and in common by the Owners.

9. Subordination of the Lien to Mortgages. The liens of the Assessments or Special Assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust encumbering the Lot or Unit. Sale or transfer of any Lot or Unit shall not affect the liens for Assessments or Special Assessments; however, the sale or transfer of any Lot or Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such Assessments or Special Assessments as to payments which became due prior to such sale or transfer but shall not relieve the Owner of such Lot or Unit at the time of the levying of such Assessment or Special Assessment of personal liability therefor. No sale or transfer shall relieve such Lot or Unit from liability for any Assessments or Special Assessments thereafter becoming due or from the lien thereof.

ARTICLE V BENEFIT AND BURDEN

The encumbrances herein set forth shall be deemed to run with the land and burden the Master Common Ground and Plats, as appropriate, as the servient tenement and benefit the respective Lots, Units and such other parcels of real estate that are designed by Declarant for residential occupancy as part of the Villages and Estates developments as the dominant tenement.

ARTICLE VII
DURATION, AMENDMENT, AND TERMINATION

1. Duration and Amendment. This Declaration, and the restrictions, limitations, conditions, and covenants herein contained, shall be and remain in force and effect perpetually from the date of recordation hereof. The provisions of this Declaration may be altered, modified, amended, added to, released, discontinued, terminated, or extended by (i) the Owners of a majority of the Lots and Units executing and acknowledging an appropriate agreement or agreements in writing for such purposes and filing the same for record in the Office of the Recorder of Deeds of St. Charles County, Missouri, after approval of the same by a majority of the then Master Board of Directors, provided, however, that no such alteration, modification, addition, release, termination, or extension, shall conflict with the terms of the Articles of Incorporation or Bylaws of the Corporation, or (ii) the Declarant without the necessity of any consent of the Owners or any mortgagee so long as the Declarant owns any Lots or Units in the Subdivision.

2. Additions to Master Common Ground and Subdivision. The Declarant may cause additional property or properties to be made subject to this Declaration and become part of the Master Common Ground and Subdivision by executing and recording an amendment to this Declaration, all without the consent of any Owner, mortgagee or holder of any deed of trust encumbering all or any part of the Subdivision. The property or properties thus added may include facilities which are to constitute a portion of the Master Common Ground. An amendment to this Declaration which adds Master Common Ground to the Subdivision may contain special covenants and restrictions as to such Master Common Ground.

ARTICLE VIII
SEVERABILITY

The restriction, limitation, conditions, and covenants contained in this Declaration are to be construed independently, and in the event that any of them shall be declared void or for any reason unenforceable, the validity and binding effect of the other restrictions, limitation, conditions, and covenants shall not be thereby impaired or affected. The waiver or failure to enforce a breach of any restrictions, conditions, covenants, or easements shall not be a waiver of any subsequent breach of the restrictions, conditions; covenants, easements, or limitations herein set forth.

BOOK 2286 PAGE 1083

STATE OF MISSOURI)
) SS
COUNTY OF ST. CHARLES)

On this 22nd day of July, 1999, before me appeared Brad Goss who being by me duly sworn, did say that he is the Executive Vice President/General Counsel of Whittaker Construction, Incorporated, a Missouri corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said Brad Goss acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County of St. Charles and State of Missouri the day and year first above written.

My commission expires: 10-23-99

Hilona Beth Matthews
Notary Public

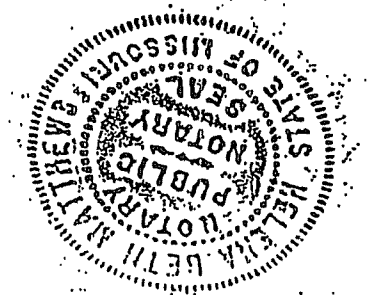


EXHIBIT A

BOOK 2286 PAGE 108

The following parcels of real estate situated in St. Charles County, Missouri, described as follows:

Master Common Ground as shown on the plat of Estates at Highgrove, recorded in Plat Book ~~#36~~ 36, page 101-103, of the St. Charles County Recorder of Deeds' Office.

Master Common Ground as shown on the plat of Villas at Highgrove Plat One, recorded in Plat Book 36, page 104-105, of the St. Charles County Recorder of Deeds' Office.

STATE OF MISSOURI
COUNTY OF ST. CHARLES
RECORDER OF DEEDS
FILED FOR RECORD

JUL 30 1999

By Barbara Hall
Time 12:15 pm

END OF DOCUMENT

A TRACT OF LAND BEING PART OF FRACTIONAL SECTION 17, TOWNSHIP 47 NORTH, RANGE 3 EAST, ST. CHARLES COUNTY, MISSOURI, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWEST LINE OF U.S. SURVEY 1790 WITH THE SOUTHEAST LINE OF U.S. SURVEY 469, SAID SOUTHEAST LINE ALSO BEING THE NORTHWEST LINE OF SAID FRACTIONAL SECTION 17; THENCE, ALONG THE WEST LINE OF A TRACT OF LAND CONVEYED TO CENTRAL ELECTRIC POWER COOPERATIVE BY INSTRUMENT RECORDED IN DEED BOOK 732, PAGE 1085, SOUTH 01°19'30" WEST, A DISTANCE OF 625.84 FEET TO THE SOUTHWEST CORNER OF SAID CENTRAL ELECTRIC TRACT; THENCE, ALONG THE SOUTH LINE OF PROPERTIES CONVEYED TO CENTRAL ELECTRIC POWER COOPERATIVE BY INSTRUMENTS RECORDED IN DEED BOOK 732, PAGE 1085 AND DEED BOOK 445, PAGE 871, SOUTH 88°44'01" EAST, A DISTANCE OF 471.45 FEET TO A POINT ON THE WEST LINE OF MISSOURI STATE HIGHWAY "M", 60 FEET WIDE; THENCE, WITH THE WEST LINE OF SAID HIGHWAY "M", SOUTH 01°21'42" WEST, A DISTANCE OF 514.13 FEET TO THE POINT OF BEGINNING; THENCE, CONTINUING WITH THE SAID WEST LINE OF HIGHWAY M, SOUTH 01°21'42" WEST, A DISTANCE OF 1267.78 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND CONVEYED TO MICHAEL D. AND CORA M. MIDDENDORF BY INSTRUMENT RECORDED IN DEED BOOK 1882, PAGE 1295; THENCE, WITH THE NORTH LINE OF SAID MIDDENDORF TRACT, NORTH 89°05'55" WEST, A DISTANCE OF 295.16 FEET TO THE NORTHWEST CORNER OF SAID MIDDENDORF TRACT; THENCE, WITH THE WEST LINE OF SAID MIDDENDORF TRACT AND ITS PROLONGATION SOUTHERLY ALONG THE WEST LINE OF A TRACT OF LAND CONVEYED TO ELMER STRUNK BY INSTRUMENT RECORDED IN DEED BOOK 217, PAGE 341, SOUTH 01°21'42" WEST, A DISTANCE OF 442.74 FEET TO THE SOUTHWEST CORNER OF SAID STRUNK TRACT; SAID POINT ALSO BEING ON THE EAST-WEST CENTERLINE OF AFOREMENTIONED FRACTIONAL SECTION 17 AND BEING ON THE NORTH LINE OF A TRACT OF LAND CONVEYED TO UNION ELECTRIC COMPANY BY INSTRUMENT RECORDED IN DEED BOOK 322, PAGE 401; THENCE, WITH SAID LINE, NORTH 89°05'55" WEST, A DISTANCE OF 1105.74 FEET, MORE OR LESS, TO A POINT IN THE CENTERLINE OF PERUQUE CREEK; THENCE ALONG SAID CENTERLINE OF CREEK, WITH THE FOLLOWING MEANDERS: NORTH 25°09'53" WEST 95.51 FEET, NORTH 19°47'28" WEST 82.84', NORTH 11°29'46" WEST 99.60 FEET, NORTH 00°40'30" WEST 207.96 FEET, NORTH 01°31'15" WEST 101.74 FEET AND NORTH 12°27'38" WEST 199.10 FEET TO AN ANGLE POINT; THENCE, DEPARTING SAID CREEK WITH THE FOLLOWING COURSES AND DISTANCES: NORTH 80°14'07" WEST, A DISTANCE OF 340.72 FEET, NORTH 28°34'42" EAST, A DISTANCE OF 61.29 FEET, NORTH 21°51'13" WEST, A DISTANCE OF 59.60 FEET, NORTH 68°08'47" EAST, A DISTANCE OF 88.15 FEET, NORTH 45°58'11" EAST, A DISTANCE OF 30.00 FEET, NORTH 22°15'44" WEST, A DISTANCE OF 129.93 FEET, NORTH 89°50'09" EAST, A DISTANCE OF 41.21 FEET, SOUTH 76°42'30" EAST, A DISTANCE OF 46.36 FEET, SOUTH 83°59'28" EAST, A DISTANCE OF 46.36 FEET, NORTH 88°43'34" EAST, A DISTANCE OF 46.36 FEET, NORTH 84°05'12" EAST, A DISTANCE OF 36.73 FEET, NORTH 83°58'51" EAST, A DISTANCE OF 280.00 FEET, NORTH 83°12'15" EAST, A DISTANCE OF 39.71 FEET, NORTH 77°37'53" EAST, A DISTANCE OF 45.43 FEET, NORTH 70°57'15" EAST, A DISTANCE OF 45.43 FEET, NORTH 64°16'37" EAST, A DISTANCE OF 45.43 FEET, NORTH 57°35'59" EAST, A DISTANCE OF 45.43 FEET, NORTH 48°17'45" EAST, A DISTANCE OF 81.06 FEET, NORTH 38°59'31" EAST, A DISTANCE OF 45.43 FEET, NORTH 32°18'53" EAST, A DISTANCE OF 45.43 FEET, NORTH 35°38'15" EAST, A DISTANCE OF 45.43 FEET, NORTH 15°10'25" EAST, A DISTANCE OF 18.00 FEET, SOUTH 10°00'41" EAST, A DISTANCE OF 50.37 FEET, SOUTH 34°44'46" EAST, A DISTANCE OF 96.48 FEET, SOUTH 60°07'38" EAST, A DISTANCE OF 52.78 FEET, SOUTH 85°30'30" EAST, A DISTANCE OF 97.19 FEET, NORTH 69°06'39" EAST, A DISTANCE OF 52.78 FEET, NORTH 43°43'47" EAST, A DISTANCE OF 112.15 FEET AND SOUTH 88°38'18" EAST, A DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING AND CONTAINING IN ALL 47.5098 ACRES, MORE OR LESS.

12500

END OF DOCUMENT