



BY-LAWS

OF

THE NATIONAL PROPERTY OWNERS ASSOCIATION, INC.

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THE NATIONAL PROPERTY OWNERS ASSOCIATION, INC.
(A Nonprofit Missouri Corporation)

ARTICLE I

NAME AND LOCATION.

The name of the corporation is **THE NATIONAL PROPERTY OWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association", as more particularly defined in Article II below. The principal office of the Association shall be located at the offices of c/o Stern Brothers Real Estate Finance, L.L.C., 10807 N.W. 45 Highway, Parkville, Missouri 64152, or at such other places as may be subsequently designated by the Board of Directors, but meetings of Members and directors may be held at such places within the State of Missouri as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to The National Property Owners Association, Inc., a nonprofit Missouri corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property contained and described on Exhibit "A", and such Additional Property thereto as may hereafter be brought within the jurisdiction of the Association via Supplemental Declaration.

Section 3. "Common Area" shall mean all real and personal property, including easements, owned, leased, held or used by the Association for the common use and enjoyment of the Owners.

Section 4. "Unit" shall mean and refer to the a portion of the Property described on Exhibit "A", including land and any improvements thereon, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached single family residence conveyed or to be conveyed to an "Owner" upon which there has been constructed or will be constructed an attached or detached single family residence.

Section 5. "Home" shall mean and refer to the single family dwelling constructed upon a Unit.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Property, including contract sellers (unless the recorded contract specifies otherwise), but excluding those having such interest merely as security for the performance of any obligations.

Section 8. "Declarant" shall mean and refer to The National Development Company, L.L.C., a Missouri limited liability company, its successors and assigns if such

successors or assigns should acquire more than one undeveloped Unit from the Declarant for the purpose of development. (Declarant may sometimes be called herein "Developer").

Section 9. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions And Restrictions For The National Of Kansas City, together with those exhibits which are attached thereto and made a part thereof and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 10. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of The National Property Owners Association, Inc., as filed with the Secretary of State of Missouri, all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof. Said Articles of Incorporation are attached hereto and made a part hereof as Exhibit "B".

Section 11. "By-Laws" shall mean and refer to the within instrument.

Section 12. "Management Agreement" shall mean and refer to that agreement for services to be rendered in connection with the management of the Property. Said Management Agreement shall also include such addendums, if any, that the parties thereto shall agree upon in writing.

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of these By-Laws, the Declaration shall control. Any capitalized terms used herein which are not defined within Article II hereof shall have the meaning given to such terms as set forth in the Declaration, including but not limited to Article 2 of the Declaration, and as they may be from time to time amended.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is an Owner in any Unit which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Unit owned, and there shall be only one membership per Unit. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership of such Unit shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed one hundred eighty days (180) for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 3. Voting Rights. There shall be two classes of voting membership.

Class A. Class A Members shall be all those Owners as defined in Article 3 of the Declaration with the exception of the Declarant. Class A Members shall be entitled to one vote for each Unit in which they hold the interest required for membership by Article 3 of the Declaration. When more than one person holds such interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. No vote shall be exercised for any property which is exempt from assessment under the Declaration.

The Class A votes shall be cast as provided in, and subject to such conditions as are set out in, the Declaration (e.g., by the Voting Delegate representing the Neighborhood of which the Unit is a part). The location, creation and division of Neighborhoods, the procedures to be followed by elected Voting Delegates and by Voting Groups are as set out in Article 3 of the Declaration.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to the rights set out in the Declaration to approve or withhold approval of actions proposed under the Declaration, Articles and these By-Laws. The Class B Member shall be entitled to appoint a majority of the Board of Directors until the happening of any of the following events, whichever occurs earlier:

- (a) when seventy-five percent (75%) of the total number of Units permitted by the Master Plan for the Property have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders; or
- (b) on December 31, 2025 at 11:59 p.m.; or
- (c) when the Class B Member so determines and voluntarily relinquishes such right in a writing which is publicly recorded by the Association.

For two years thereafter, or upon its voluntary decision to relinquish the power to do so, the Class B Member may disapprove actions of the Board of Directors and the committees as provided herein, and at such time (whichever is earlier) the Class B Member be converted into a Class A Member (with a single Class A vote for each Unit that it owns).

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such Member shall notify the secretary of the Association in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) and not more than five (5) directors.

Section 2. Election. Directors shall be elected at the annual meeting of the Members. At each such annual meeting not less than three (3) and no more than five (5) directors shall be elected and they shall serve until the next annual meeting or until their successors are chosen or until removed in accordance with the Articles of Incorporation or these By-Laws.

Section 3. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETING OF THE DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power:

- (a) To adopt and publish, from time to time, rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the Class A Members who are entitled to vote;
- (b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration:
 - (1) To take into account the Common Expenses of the Association, the appropriate expenses respecting the real and personal property taxes levied against the Association or the Common Property, and other expenses of the Association; and
 - (2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A

reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

- (e) To collect delinquent assessments and penalties and to create, record and foreclose the lien securing the said assessments and to hire attorneys, accounts and other professionals to do the same;
- (f) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;
- (g) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) To cause the Common Area to be maintained;
- (i) To cause the exterior of the dwellings to be maintained by the Owners (except as otherwise required by the Declaration or these By-Laws).

ARTICLE IX

COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board in its discretion determines;
- (b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Property and shall perform such other functions as the Board, in its discretion, determines;
- (c) A Publicity Committee which shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and
- (d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8(d). The Treasurer shall be an Ex Officio member of the Committee.

Section 2. Upon motion and unanimous vote of all the Owners of Units in a Neighborhood the Association may, at its discretion, adopt and recognize a Neighborhood Committee for such Neighborhood which shall be governed according to these By-Laws and the

Declaration and which shall be representative of such Owners as provided by these By-Laws and the Declaration.

Section 3. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on the first Wednesday in December, 1999, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes of the entire membership or who are entitled to vote one-fourth ($\frac{1}{4}$) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third ($\frac{1}{3}$) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a president and vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or is otherwise disqualified so serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, require.

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary.

Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed resolution of the Board of Directors; shall sign all checks and promissory notes of the Association's book to be made by a public accountant at the completion of each fiscal year; and shall prepare annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and shall furnish a corporate surety bond in a sum satisfactory to the Board for the faithful performance of the duties of his office and the restoration to the Association of all books, papers, vouchers, money or other property of whatever kind in his possession, or under his control, belonging to the Association. The Association shall pay all premiums for said bond.

ARTICLE XII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid To The Association. The Declarant for each Unit owned by it within the Property, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant, which covenant shall run with the land and be binding on every Owner, and agree to pay to the Association:

(1) General Assessments to fund Common Expenses for the general benefit of all Units, as set out in the Declaration, including, but not limited to, general expenses of property maintenance and services contracted for by the Association through the Board of Directors, such as security, lawn care and facility maintenance; (b) Neighborhood Assessments for Neighborhood Expenses benefiting only Units within a particular Neighborhood or Neighborhoods as provided in the Declaration; (c) Special Assessments as described in Section 8.6 of the Declaration; and (d) Specific Assessments as described in Section 8.7 of the Declaration. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments in such manner and on such dates as the Board of Directors may establish. These assessments, together with such interest thereon and costs of collection thereof, including interest, costs and attorney's fees, as hereinafter provided, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made, and said lien may be enforced in the same general manner in which mortgages are enforced. Each such assessment, together with such interest, costs, and reasonable attorney's fees for its collection, including at the appellate level, shall also be the personal obligation of the person or entity who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments to be levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not be limited to: the maintenance, operation, management and control of the private roads servicing the Property; maintenance of all lighting and parking facilities in the Common Areas; the administration and enforcement of the architectural standards and controls as set out in the Declaration; the administration and enforcement of the Declaration, any Supplemental Declaration or the By-Laws as provided in the Declaration; the payment of taxes and insurance for real and personal property comprising any of the Common Area and for various commercial insurance coverages for the Association, its members or employees, agents or others acting on their behalf; payment for the improvement and maintenance of the property, services, and facilities related to the use and enjoyment of the Common Area and of the residences situated upon the Property.

Section 3. Basis of General Assessment. At least 30 days before the beginning of each fiscal year, the Board of Directors shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund. General Assessments shall be levied equally against all Units subject to assessment and shall be set at a level which is reasonably expected to produce total income (inclusive of, if the Board of Directors so determines, other sources of funds, any surplus from a prior year, and any assessment from additional Units during the current year) for the Association equal to the total budgeted Common Expenses, including reserves.

So long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to the Declaration by the Declarant, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials (in addition to any amounts paid by Declarant under Section 8.2 of the Declaration), which may be treated as either a contribution or an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion.

The Board of Directors shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Voting Delegates representing at least 67% of the total Class "A" votes in the Association and by the Declarant, so long as the Declarant owns any property which is subject to the Declaration or which may be unilaterally subjected to this Declaration by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Delegates as provided for special meetings in the By-Laws, which petition must be presented to the Board within 90 days after delivery of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

Section 4. Computation of Neighborhood Assessments. At least 30 days before the beginning of each fiscal year, the Board of Directors shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board of Directors shall be entitled to set such budget only to the extent that the Declaration, any Supplemental Declaration, or the By-Laws specifically authorize the Board of Directors to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners in accordance with Section 3.3(a) of the Declaration, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense, if any, within the Neighborhood. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood(s) benefited thereby and levied as a Neighborhood Assessment; provided however, if so specified in the Supplemental Declaration applicable to such Neighborhood or if so directed by petition signed by a majority of the Owners within the Neighborhood, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures shall be levied on each of the benefited Units in proportion to the benefit received.

The Board of Directors shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least 30 days prior to the beginning of the fiscal year. Such budget

and assessment shall become effective unless disapproved by Owners of a majority of the Units in the Neighborhood to which the Neighborhood Assessment applies and by the Declarant, so long as the Declarant owns any property which is subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Units in such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

Section 5. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare reserve budgets for both general and Neighborhood purposes which take into account the number and nature of replaceable assets within the Common Areas, the expected life of each asset, and the expected repair or replacement cost. The Board of Directors shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments or Neighborhood Assessments, as appropriate, over the budget period.

Section 6. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Special Assessments shall be allocated equally among all Units subject to such Special Assessment. Any Special Assessment shall become effective unless disapproved at a meeting by Voting Delegates representing at least 67% of the total Class "A" votes allocated to Units which will be subject to such Special Assessment and by the Declarant, so long as the Declarant owns any property which is subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment, except on petition of the Voting Delegates as provided for special meetings in the By-Laws, which petition must be presented to the Board within 20 days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board of Directors, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

Section 7. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

- (a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, janitorial service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and
- (b) to cover costs incurred in bringing the Unit(s) into compliance with the terms of the Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided however, the Board of Directors shall give the Unit Owner prior written

notice and an opportunity for a hearing, in accordance with these By-Laws, before levying any Specific Assessment under this subsection.

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws and rules; provided however, the Board shall give prior written notice to the Owners of Units in, or the Voting Delegate representing, the Neighborhood and an opportunity for such Owners or Voting Delegate to be heard before levying any such assessment.

Section 8. Remedies for Non-Payment of Assessments. Any assessments or other charges which are not paid when due shall be delinquent. Delinquent assessments shall bear interest from the due date at the rate established by the Board of Directors, or if not set by the Board of Directors, at the highest rate allowed by law, together with such late fees as may be set by the Board of Directors. The Association may file a lien of record against any Unit where there remains an assessment unpaid for a period of thirty (30) calendar days or longer. Said lien shall be filed in the Public Records in a manner provided therefor by of the Missouri Revised Statutes. Such lien shall be superior to all other liens, except the liens of all taxes, bonds, assessments, and other levies which by law would be superior. Additionally, the Association may, at its option, sue and obtain a personal judgment against an Owner who has not paid any assessments made hereunder for the sums due and owing the Association in a court of competent jurisdiction. Election by the Association of any one of the above remedies shall not preclude or in any way limit the Association's rights to utilize any other remedy available to the Association hereunder or in equity or at law. Costs and reasonable attorneys' fees for the prosecution of any such action shall be added to the amount due. In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, the Association shall collect on such judgment in such manner and to the extent provided and permitted by the laws of the State of Missouri. The Declaration shall constitute notice to all parties, including, but not limited to, any holder of a Mortgage which encumbers a Unit, that any Association's lien shall have priority over any Mortgage creating a lien against a Unit after the date of the Declaration. Any foreclosure of a Mortgage shall be subject to any existing or thereafter filed liens filed by the Association. Additionally, in the event that a determination is made by a court of competent jurisdiction that any Association lien is made subordinate to the lien of any Mortgage, and that such Association lien is extinguished by the fact of a foreclosure of such Mortgage, the Association shall have the right to re-assess and re-levy a Special Assessment in the amount of original extinguished Association lien after such foreclosure of such Mortgage.

The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Chapter 443 of the Missouri Revised Statutes. All fees, charges, late charges, fines, and interest are enforceable as assessments.

In any foreclosure action brought under the power of sale provisions, the Association shall be deemed to be the holder and owner of the obligation secured by the Declaration. The registered agent of the Association shall be the trustee for all purposes of the foreclosure proceeding, and the Association shall have the power to appoint a substitute trustee if for any reason the Association desires to replace the trustee, and the substitute trustee shall succeed to all rights, powers and duties thereof. The Association shall request of the trustee to sell the Unit subject to the lien at public auction for cash, after having first given such notice and advertising the time and place of such sale in such manner as may then be provided by law for mortgages and deeds of trust, and upon such sale and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey to the purchaser in as full and ample manner as authorized by Chapter 443. The trustee shall be authorized to retain an attorney to

represent such trustee in such proceedings. The proceeds of the sale shall, after the trustee retains its commission, together with any additional attorneys' fees incurred by the trustee, be applied to the costs of the sale, including but not limited to costs of collection, taxes, assessments, costs of recording, service fees, and incidental expenditures, the amount due on any note secured by the Unit, and any advancements made by the Association in the protection of the security.

The Association may bid for the Unit, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.9 of the Declaration, including such acquirer, its successors and assigns.

Section 9. Date of Commencement of Assessments. The obligation to pay assessments shall accrue as to each Unit on the date that such Unit is conveyed to a Person other than a Builder or Declarant. With respect to any Unit owned by a Builder, assessments shall commence upon the earlier of: (a) actual occupancy of such Unit, excluding any period that such Unit is being used exclusively as a model home; or (b) one year from the date that such Builder or any entity or Person related to such Builder acquired title to such Unit. The first annual General Assessment and Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 10. Exempt Property. The Property listed in Section 8.11 of the Declaration shall be exempt from payment of General Assessments, Neighborhood Assessments, and Special Assessments: (a) all Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1 of the Declaration; (b) any property dedicated to and accepted by any governmental authority or public utility; and (c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: The National Property Owners Association, Inc. – Nonprofit.

ARTICLE XV

RULES AND REGULATIONS

In addition to other provisions of these By-Laws and the Use Restrictions set out in Article 10 of the Declaration, the following rules and regulations, together with such additional rules and regulations as may hereafter, from time to time, be adopted by the Board of Directors, shall govern the use of the Units located in the Property and the conduct of all residents thereof:

(a) No Unit shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Unit other than a one-family dwelling.

(b) No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Unit at any time as a residence or appendage to such residence, either temporary or permanent.

(c) No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(d) No animals, livestock or poultry of any kind shall be raised, bred or kept on any Unit, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose.

(e) No sign of any kind shall be displayed to the public view on any Unit, except on sign of not more than one square foot advertising that property for sale or rent, or signed used by the Developer to advertise the Property during the construction and sale of the Homes.

(f) No Unit shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

(g) No garments, rugs or any other materials may be hung, exposed or dusted from the windows or from the front facade of any Home.

(h) There shall not be parked upon any of the parking spaces set aside for general use within the Common Area, any trailer, abandoned vehicle nor a vehicle in excess of 20 feet in length, or in excess of 5000 pounds of weight, commercial-type van, commercial vehicle, boat or boat trailer. This restriction shall not be deemed to limit the use of such parking facilities for service vehicles whose purpose is to perform

maintenance and delivery services to the Unit Owners or the Association during normal working hours.

- (i) No septic tanks or individual wells will be permitted on any Unit.

ARTICLE XVI

AMENDMENTS

These By-Laws may be amended, at a duly regular or special meeting of the Members, by a vote of seventy-five (75%) percent of Members present in person or by proxy, except that, if at the time an amendment is proposed there are any mortgages encumbering any Unit insured by the Federal Housing Administration, guaranteed by the Veterans Administration or held by the Federal National Mortgage Association then the Federal Housing Administration, the Veterans Administration or the Federal National Mortgage Association shall have the right to veto amendments while there is Class B membership, otherwise said right of veto will not exist.