

BY-LAWS
OF
SUMMIT WOOD PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I
PREMISES FOR ADOPTION OF BYLAWS,
OFFICES AND SEAL

Section 1.1. Premises For Adoption of Bylaws. These bylaws are adopted by the Board of Directors (hereinafter referred to as the "Board"), of the Summit Wood Property Owners' Association, Inc., a Missouri not-for-profit corporation, (hereinafter the "Association") for the governance thereof and in furtherance of the corporate purposes set forth in Article VIII of its Articles of Incorporation (hereinafter the "Articles") and Certificate of Incorporation No. N00064936 filed with and issued by the Missouri Secretary of State on September 13, 2000, which purposes, as recited in that Declaration of Covenants, Conditions and Restrictions (hereinafter the "Declaration") recorded November 13, 1995 as Document No. 11382647 beginning at Page 2031 of Book 12764 in the Office of the Department of Records of Jackson County, Missouri, were, in general, to promote the conservation, stability and appreciation of property values in Summit Wood Subdivision (hereinafter the "Subdivision"), an addition of land in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Section 1.2 Offices. The principal office of the Summit Wood Property Owners Association, Inc. shall be located in Jackson County, Missouri at such place within or in proximity of Kansas City, Missouri as the Board from time to time may designate by resolution. The Association may have other offices within the State of Missouri as the Association may from time to time determine.

Section 1.3 Seal. By resolution, the Board may adopt, or may alter at its pleasure, a suitable corporate seal, which shall be in the charge of the Secretary of the Association, and duplicates of which may be kept and used by other officers designated by and as directed by the Board. Pending passage of such a resolution, the corporate signature of the Association shall be represented by that of the Chairman of the Board and the attestation thereof by the Secretary of the Association.

ARTICLE II
DEFINITIONS

Section 2.1 Definitions. For purposes of these By-Laws, the following terms shall have the following meanings:

- (a) Advisory Committee. The term "Advisory Committee" shall mean Summit Wood Improvement Advisory Committee, which shall advise the Developer of Summit Wood on matters pertaining to the development and administration of Summit Wood Subdivision and the Common Areas. The Advisory Committee Members shall consist of Lot Owners of Summit Wood Subdivision appointed by the Developer.
- (b) Association. The term "Association" shall mean and refer to The Summit Wood Property Owners Association, Inc., a Missouri not-for Profit corporation its successors and assigns.
- (c) Advisory Committee Members. The term "Advisory Committee Members" shall mean those Lot Owners appointed by the Developer to serve as the Advisory Committee.
- (d) Common Area. The term "Common Area" shall mean all property now or hereafter located within the District except the subdivided lots and other property under the control of the Developer and/or Lot Owners.

- (e) Common Expenses. The term "Common Expenses" shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves, including but not limited to:
1. All sums lawfully assessed against the Common Area by the Developer;
 2. All expenses of administration and management, maintenance, repair and replacement of the Common Areas or Buildings within the District as deemed appropriate, in the reasonable discretion of the Board of Directors to maintain, preserve or enhance the value of Summit Wood Subdivision in general and the individually owned Lots in particular.
 3. All other expenses declared to be Common Expenses by provisions of the recorded Declarations and these By-Laws.
- (f) Developer. The term "Developer" shall mean Strother Investment Properties, a Missouri Partnership and its predecessor and its successors and assigns.
- (g) Declarations. The term "Declarations" shall mean the Declaration of Covenants, Conditions and Restrictions covering the property within the District and recorded in Jackson County, Missouri, relating to the Association, these By-Laws and any amendments thereto.
- (h) District. The term "District" shall mean all of the real estate described in Summit Wood Subdivision, as may be extended, and all improvements and structures erected, constructed or contained therein or thereon, including, any Building or Buildings, all easements, rights and appurtenances belonging thereto and all fixtures, equipment and other personal property located on such real estate; portions of which are designated for separate ownership and the remainder of which is designated for common ownership by the Owners of the Subdivision Lots.
- (i) Mortgage. The term "Mortgage" shall mean a conventional mortgage or Deed of Trust.
- (j) First Mortgagee. The term "First Mortgagee" shall mean a holder of a first mortgage or Deed of Trust lien on any Lot or Building, and any guarantor or insurer of any obligation secured by a first mortgage or Deed of Trust lien, or any real property within the District.
- (k) Nominating Committee. The term "Nominating Committee" shall refer to the committee appointed by the Board of Directors to nominate members of the Association for election to the Board of Directors and as Officers. The nominating committee shall consist of a minimum of three members of the Association with one member being a member of the Board of Directors.
- (l) Lot Owner. The term "Lot Owner" shall mean and refer to the record Owner, whether one or more persons or entities of a fee simple title to any Lot or other land which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- (m) Managing Agent. The term "Managing Agent" shall mean a person or firm who may be engaged by the Developer or the Board of Directors to perform or direct the day-to-day administration, operations and maintenance of the District, in accordance with the Declarations and policies established from time-to-time, by the Board of Directors and approved by the Developer.
- (n) Property. The term "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, and these By-Laws, as hereinafter provided.
- (o) Plans. The term "Plans" shall mean any drawing or set of drawings of a Building constructed on or to be constructed on any Lot within the District.
- (p) Plat. The term "Plat" shall mean the drawing or set of drawings of the District or Lot within the District prepared by an Architect or registered land surveyor.

ARTICLE HI
MEMBERSHIP

Section 3.1 Membership. The Association shall not issue stock. The Membership of the Association shall include every person or entity who is a record owner or undivided fee interest owner in any Lot or land 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 interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to any and may not be separated from ownership of any Lot or other land which is subject to the assessment by the Association and within the foregoing definition. Ownership of such Lot or other land shall be the sole qualification for Membership.

ARTICLE IV
VOTING RIGHTS

The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners of Lots, with the exception of the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot, except as hereinafter provided for Class B voting rights.

Class B. Class B members shall be the Developer or his successor. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III. Class B membership shall terminate on the happening of either of the following events, whichever occurs earlier:

- (a) when the developer no longer owns any lots; or
- (b) when the Developer turns all decision making authority over to the Board of Directors, in writing; or
- (c) on July 1, 2005.

ARTICLE V
PROPERTY RIGHTS - RIGHTS OF ENJOYMENT

Section 5.1. Rights of Enjoyment. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Association Declaration and these By-Laws. Any Owner may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers. Members shall notify the Secretary in writing of the name of such person to whom the member delegates his rights. The rights and privileges of such delegation are subject to suspension to the same extent as those of the Member.

Section 5.2. Charges and Fees. The Association may charge reasonable admission and other fees for the use of facilities situated upon the Common Area.

ARTICLE VI
DIRECTORS

Section 6.1 Number. The affairs of the Association shall be managed by a Board of Directors, who shall be members of the Association. The number of members of the first Board of Directors is five (5) as fixed by the Articles of Incorporation. The number of members of subsequent Boards of Directors shall not be less than five (5) nor more than nine (9), nor any even number. At the first annual meeting of the members of the Association, or at any earlier meeting called for that purpose, the members may elect nine (9) Directors.

Section 6.2 Election. The Directors shall be elected by the Class A and Class B

Members according to the classes of voting memberships in the Association as provided in Article IV of these By-Laws. At the first annual membership (Lot Owners) meeting of the Association, or any earlier meeting called for the purpose of electing the Board of Directors, nine (9) Directors may be elected as follows: Three (3) Directors to serve a three (3) year term; three (3) Directors to serve a two (2) year term; and three (3) Directors to serve a one (1) year term. Thereafter, at each successive annual meeting of the membership, vacancies on the Board of Directors shall be filled by annual election for three (3) year terms with the number of Directors to remain at nine (9) unless changed in conformity with the Articles of Incorporation and By-Laws of the Association. Directors shall be elected to serve for a term of three (3) years and shall serve until their successors have been elected.

Section 6.3 Resignation and Removal of Directors. 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.

Any director shall be deemed to have resigned from his office if a) he has been absent from attendance at three consecutive regular meetings of the Board, or three out of five consecutive regular meetings of the Board, unless the minutes reflect majority consent of the members of the Board to such absences, or if b) a Director, for any reason becomes disqualified for nomination and election as a Director, including but not limited to said director being more than thirty (30) days delinquent in any financial obligation to the Association, as certified by the Secretary of the Association.

At any meeting of the members any one or more of the members of the Board of Directors may be removed, with or without cause, by the affirmative vote of a majority of the total minimum and augmented votes capable of being cast by the members present in person or by proxy at such meeting, presuming a quorum is present, and provided that ten days notice of the meeting and his proposed removal threat has been given to each Director proposed to be removed in accordance with a written petition filed with the Secretary of the Association at least ten days before such meeting, signed by members entitled to cast twenty-five (25%) percent of the total minimum and augmented votes capable of being cast at the preceding annual meeting, and further provided that each Director whose removal is proposed shall be given an opportunity to be heard at the meeting. If duly nominated and qualified, a successor or successors to any removed Director or Directors may then and there be elected to fill the vacancy or vacancies thus created.

Section 6.4 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, as approved by the Board of Directors.

Section 6.5 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 written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6.6 Nomination. The Nominating Committee shall each year nominate at least three (3) members for consideration by the members p at the annual meeting of Lot Owners. To be a candidate, a nominee must accept the nomination orally at the meeting, or acceptance of the nomination may be in writing, signed by the nominee, and delivered to the Secretary of the Board of Directors, prior to the annual meeting of Lot Owners.

Section 6.7 Vacancies. Any vacancy on the Board of Directors for any reason, which is not filled by the Developer or Lot Owners as provided above in the case of removal may be filled by the vote of a majority of all of the surviving Board of Directors. The newly appointed Director shall serve for the unexpired term of his predecessor or until his successor is appointed.

ARTICLE VII MEETING OF DIRECTORS

Section 7.1 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of the Lot Owners. The Board of Directors may provide, by resolution, the time and place, within or without the State of Missouri, for the holding of additional regular meetings without other notice than such resolution recorded in the Minutes of the meeting when adopted. The meeting dates of the Board shall be established by the Board of Directors annually. The Board may give written notice one week in advance of any such meeting or change of meeting date.

Section 7.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or any three (3) Directors, or by twenty percent (20%) of the Members.

Section 7.3 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.

Section 7.4 Majority Rule. A majority of the Directors shall, except where otherwise required in these By-Laws, act upon every act or recommendation done or made by a majority of the Directors present at a duly held meeting at which a quorum is present and shall be the act or recommendation of the Board of Directors.

ARTICLE VIII DIRECTORS: NOMINATION AND ELECTION

Section 8.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations also may be made from the floor at the annual meeting of the Members. 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 Lot Owners to serve from the time of appointment 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 it shall not make less nominations than the number of vacancies that are to be filled. Such nominations shall be made from among members.

Section 8.2 Election. Election to the Board of Directors may be made by a show of hands or by written ballot. At such election the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provision of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IX DIRECTORS: POWERS AND DUTIES

Pursuant to certain Declarations of Restrictions originally recorded on November 13, 1995, with the Jackson County Recorder of Deeds as Document #11382647 at 12764P2031 and Document #11382648 at 12764P2039, and as may subsequently be amended and recorded, the Board shall have the powers to:

- (a) Purchase, take, receive, lease as lessee, take by gift, grant devise, bequest, assign or transfer, or otherwise deal in and with any real or personal property, or any interests therein, situated in or out of the State of Missouri to be used solely for its non-profit purposes;
- (b) Receive and take by gift, grant, assignment, transfer, devise or bequest, any real or personal property in trust for such purposes as may be proper for carrying on its legitimate affairs and to execute and perform all such trusts in accordance with the terms, conditions, limitations and restrictions thereof;
- (c) Make donations in furtherance of any of its non-profit purposes;
- (d) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use or employ shares or interest in or obligations of domestic or foreign corporations, whether for profit or not for profit, associations, partnership, or individuals; and to sell, mortgage, loan, pledge or otherwise dispose of, such shares, interests, or obligations;
- (e) Make contracts and incur liabilities which may be appropriate to enable it to accomplish any or all of its purposes; to borrow money for its corporate purposes at such rates of interest as the corporation may determine, to issue its notes, bonds, and other obligations by mortgage, pledge, or Deed of Trust or all or any of its property, franchises, and income;
- (f) Lend money for its corporate purposes; and to take and hold real and personal property as security for the payments of funds so loaned;
- (g) Sell, convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets; and

- (h) Handle and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.
- (i) Enforce, in its own name, any Covenants, Conditions or Restrictions which may now or may hereafter be imposed upon any of the Property, including, but not limited to that certain Declaration of Restrictions dated November 1995 and Amendment to the Declarations dated November 7, 1995, each executed and recorded by the Developer. The expenses and costs of any such proceeding may be paid out of the general fund of the Association.
- (j) Provide for the plowing and removal of snow from sidewalks and streets.
- (k) Maintain, plant, care for, spray, trim, protect and replant trees, grass, shrubs and other landscaping on all streets in public places or in the Common Areas.
- (l) Provide and maintain such lights as the Association may deem advisable on streets, areas dedicated to the public or for the use of members of this Association, gateways, entrances or other features.
- (m) Provide for uniform rules and regulations for the collection of garbage and rubbish and for the disposal of such garbage and rubbish as is collected and to provide a uniform method for the collection and disposal of garbage and rubbish from the residences of the members, including sewage or waste water disposal facilities, drainage, water, gas, electricity, street and lighting required by Developer or to comply with all provisions of applicable Federal and state local laws, including Missouri Clean Water Act, Chapter 204 R.S. Mo.
- (n) Provide for the establishment, operation and maintenance of parks, playgrounds, community center, recreational facilities, gateways and entrances, fountains, streams, all ornamental features and the equipment thereof on any land set aside for the general use of the public and the owners, or to which all such owners have access and use thereof; and to provide for the maintenance of natural water courses within the Property.
- (o) Erect and maintain signs for the marking of the streets.
- (p) Provide for all general items of use, maintenance and repair on or over the Common Area.
- (q) Provide for additional police service by special arrangement with State, City or County authorities.
- (r) Obtain fire insurance covering up to the full insurable replacement value of the common area with extended coverage.
- (s) Obtain liability insurance insuring the Association against any and all liability to the public, to any owner, or to the invitees or tenants of any Owner arising out of their occupation and/or use of the Common Area. The policy limits shall be set by the Board of Directors, and shall be reviewed at least annually and increased or decreased at the discretion of the Board of Directors.
- (t) Obtain Worker's Compensation insurance to the extent necessary to comply with applicable law, and any other insurance deemed necessary by the Board of Directors of the Association.
- (u) Obtain a standard fidelity bond covering all members of the Board of Directors of the Association and all other employees of the Association in an amount to be determined by the Board of Directors.
- (v) Mow, care for, and maintain, and to cut and remove weeds and grass from vacant property; to pick up and remove therefrom loose material, trash and rubbish of all kinds, and to do any other thing necessary or desirable in the judgment of the offices of the Association to keep such vacant and unimproved property neat in appearance and in good order.
- (w) Acquire and own the title to such real estate as may be reasonably necessary in order to carry out the purposes of the Association, and to pay taxes on such real estate as may be so used by it, and such taxes as may be assessed against the Common Areas. To borrow money, to mortgage, pledge, Deed in Trust or hypothecate any or all of its real or personal property as security for debts incurred or money borrowed.
- (x) Enter into such agreements with other Associations, municipalities, political subdivisions, individuals and corporations in order to implement the purpose of the Association and to provide such improvements for the benefit of the Lot Owners and members of this Association within the purview of the Declaration and these By-Laws.

ARTICLE X
COMMITTEES

Section 10.1 The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws.

Section 10.2 The Board of Directors may appoint any committee or committees necessary for maintenance of the Common Area or carrying out the provisions of these By-Laws and the Articles of Incorporation as in its discretion is deemed necessary.

Section 10.3 Architectural Review Committee. As provided in Article VII of the Amendment to the Declaration of Restrictions of Summit Wood and Declaration of Summit Wood Property Owners Association, the Board shall appoint an Architectural Review Committee consist of three (3) or five (5) members of the Association, which shall have the authority, on behalf of the Association, to approve or disapprove or modify all plans and specifications presented to or otherwise coming before it, in accordance with the provisions of said Declaration. Such committee shall have the power to impose reasonable application fees as well as charges to reimburse the cost of reports, analyses or consultations required in connection with its approval or rejection of plans and specifications for improvements. Decisions of such committees shall be final except that any member who is aggrieved by any action or non-action of such committee, or by any rules or regulations or criteria established by it, may appeal the decision of such committee to the Board, and, upon request, shall be entitled to hearing before the Board. It is further provided hereby that the Board may relieve such committee of any of its duties, powers or authorities either generally or on a case-by-case basis, and that such committee shall carry out its duties and exercise its powers and authorities in the manner provided for in the rules and regulations promulgated by the Board or by specific resolution of the Board.

ARTICLE XI
MEETINGS OF MEMBERS

Section 11.1 Annual Meetings. Annual meetings of the Lot Owners shall be held at such place within the State of Missouri, and at such time on such date, as the Developer and/or the Board of Directors shall determine.

Section 11.2 Special Meetings. Special meetings of the Lot Owners may be called by the Developer or by a majority of the Board of Directors or fifty percent (50%) of the Lot Owners.

Section 11.3 Notice of Meeting. Developer or the Board of Directors shall give written notice of each annual meeting of the Lot Owners, and the entity calling a special meeting shall give written notice of each special meeting, by hand delivery or by mrig a copy of such notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meet' addressed to each Lot Owner at their most recent address appearing on the records of the Developer and/or the Board of Directors. Such notice shall state the place, day and time of the meeting, the items of the agenda, the general nature of any proposed amendment to the Declarations or these By-Laws, any proposed changes in the Association budget and any proposal to remove a member of Board of Directors.

Section 11.4 Quorum. The presence, at a meeting of Lot Owners representing at least ten percent (10%) of the Subdivision Lots in the District shall constitute a quorum for any actions. such quorum is not present or represented at a meeting, another meeting may be called subject to the notice requirement of Subparagraph 11.1 above and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty 60) days following the preceding meeting.

Section 11.5 Proxies - General. At all Association meetings Lot Owners may vote in person or by proxy. All proxies shall be in writing signed and dated by the Lot Owner and shall be filed with the Secretary of the Board of Directors prior to the meeting. Every proxy shall be revocable at any time before the vote is taken, by giving notice of revocation to the person presiding over the meeting. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless it specifies a shorter term.

Section 11.6 Proxies- Multiple Owners. If only one of the multiple Owners of a Lot is present at a meeting of the Lot Owners, that person is entitled to case the vote allocated to that Lot. If more than one of the multiple Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is a majority agreement if any one of the multiple Owners cast the vote

allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

ARTICLE XII OFFICERS AND THEIR DUTIES

Section 12.1 Enumeration of Offices. The offices of this Association shall be a President, Vice President, who at all times shall be a Member of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 12.2 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 Lot Owners.

Section 12.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless, otherwise specified, they shall sooner resign, or shall be removed, or otherwise disqualified to service.

Section 12.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board whenever in the judgment of the Board the best interests of the Association will be served thereby, provided that removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. For the purposes of these Bylaws, no officer of the Association shall be removed except upon the affirmative vote of the majority of the members of the Board at a meeting at which a quorum is present. Any officers may resign at any time 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.

Section 12.5 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices.

Section 12.6 Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; all agreements, contracts, leases, mortgages, deeds, notes checks and other written instruments of or executed on behalf of the Association shall be signed by the President or Vice President and countersigned by either the Secretary or the Treasurer, as appropriate.
- (b) Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of them by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of meetings and proceedings of the Board and of the Members; 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.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; prepare a quarterly statement of revenue and expenses for the Board; cause an annual audit of the Association books to be made either by themselves or by an accountant designated by the Board of Directors, at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at the annual meeting of Lot Owners, or such other meeting of the Lot Owners, as designated by the Board of Directors and make a copy of said statement available for review By the Lot Owners.

ARTICLE XIII
ASSESSMENTS

Section 13.1 Creation of the Lien and Personal Obligation of Assessments. Each

Owner of any Lot by acceptance of a Deed therefore, whether or not it shall be so expressed in any deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, and such assessments to be fixed, established and collected from time to time as provided herein, and in the Declaration of Restrictions recorded pursuant hereto. The collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of each person who was the Owner of such property at the time assessment fell due. The personal obligation shall not pass to its successors in title, unless assumed by them.

Section 13.2 Purpose of Assessments.

- (a) Annual Assessments. The annual assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Lot Owners, and in particularly for the improvements and maintenance of the property, including, but not limited to, the payment of taxes and insurance on the Common Area, repairs to, replacement of and additions to the Common Area, for the cost of labor, equipment, materials, management and supervision of the Common Area, and for the maintenance, repair and services listed in Article IX hereof, and for any other purpose which is necessary desirable for the maintenance and improvement of the Property and Common Area, for which is of general benefit to the Lot Owners.
- (b) Maximum Annual Assessment. Effective September 13, 2000, the date of the Association's incorporation, and through December 31, 2000, the monthly assessment shall be Fifteen Dollars (\$15.00) per Lot per month for the months of October, November and December, 2000, with the exception of those Lots owned by the Developer or those lots owned by a Builder for the first twelve (12) calendar months following their acquisition by said Builder, and shall become immediately due. From and after the date of conveyance of a Lot to an Owner between September 13, 2000, and December 31, 2000, the monthly assessment shall become immediately due as well.
- (c) Excluding the Developer and Builders as set forth above, beginning January 1, 2001, the entire annual assessment, which shall be defined as the monthly assessment times twelve (12) months, shall become due on January 1 of each year. From and after the date of conveyance of a Lot to an Owner after January 1, 2001, the entire annual assessment, which shall be defined as monthly assessment times the remaining number of months, or any portion thereof, in the calendar year shall become due. At the option of the Lot Owners, the entire annual assessment may be paid in advance within thirty (30) days of it becoming due, or it may be paid in quarterly installments of Twenty-five percent (25%) of the entire annual assessment which shall be due on January 1, April 1, July 1 and October 1, together with a service charge of Five Dollars (\$5.00) per quarterly payment.
- (d) The monthly assessment may be increased annually on or before July 1, to be effective October 1st, by the Board of Directors, without a vote of the membership, by an amount not to exceed ten percent (10%) of the previous year's assessment. The monthly assessment may be increased by an amount which exceeds ten percent (10%) of the previous year's assessment only by a two-thirds (2/3) majority vote of the (Lot Owners) (Membership), who are voting in person or by written proxy, at a meeting duly called for this purpose.

In addition to the maximum annual assessments authorized above, the Association may levy in an assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement, improvements on the Common Area or to the Common Area, including fixtures and/or personal property related thereto, provided that such assessment shall be approved by two-thirds (2/3) majority vote of the, votes of each class of members who are voting in person or by written proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The Board of Directors shall have the authority, in the event of any emergency which requires immediate action to correct or repair, to pay for such work and the cost thereof shall become a special assessment without the assent or the aforementioned two-thirds (2/3) vote.

- (e) Notice and Quorum of Special Assessment. Written notice of any special assessment shall be made by the Board of Directors or Developer in writing to the Lot Owners for their approval, setting forth an outline for the project contemplated and the estimated amount required for the completion of same, and the total assessment required. Such notice shall be sent to members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of all or of proxies entitled to cast sixty percent (60%) of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the quorum at the preceding meeting. No such subsequent meetings be held more than sixty (60) days following the preceding meeting.
- (f) Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, such assessment shall bear interest at the rate of ten (10%) percent per annum until paid, and such payment and interest shall constitute a lien upon the Lot and shall remain in full force and effect until said amount is paid. The Association may bring an action at law against the Owner or person obligated to pay the same, or foreclose, the lien against the Property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.
- (g) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to any lien of any mortgage or First Deed of Trust. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, that in the event of default in the payment of any obligation secured by such mortgage or Deed of Trust, such subordination shall apply only to the assessments or installments thereof which shall become due and payable prior to the sale of such property pursuant to a foreclosure of such mortgage or pursuant to power of sale under such Deed of Trust, or prior to a conveyance to the mortgagee or holder of the Deed of Trust in lieu of foreclosure. Such sale or conveyance in lieu of foreclosure shall not relieve such property from liability for any assessments or installments thereof thereafter becoming due nor from the lien of any such subsequent assessments or installments.
- (h) Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) All property owned by the developer or its successors and assigns; (b) All property dedicated to and accepted by a local public authority; and (c) The Common area. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XIV INDEMNIFICATION AND RELATED MATTERS

Section 14.1 Indemnification of Members. To the extent permitted by law, the Association shall indemnify and hold harmless each Member of the Board of Directors against any and all claims, liabilities, expenses and costs, including, without limitations, attorney's fees, reasonably incurred in connection with or arising out of any action, suit or proceeding in which such person is made a party by reason of being or having been a Board Member; provided, however, that no Board Member shall be indemnified against liability or claims by reason of his or her willful misfeasance, bad faith, or negligent disregard of his or her duties.

Section 14.2 No Personal Liability. No Member of the Board shall be liable for the acts, errors, or commissions of any other Board Member or for any loss, damage, costs, or expenses sustained by the Association or by any Lot Owner, unless the same has resulted from the misfeasance, bad faith, or negligent disregard of duties on the part of such Board Member.

ARTICLE XV
AMENDMENTS

Section 15.1 These By-Laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) majority of a quorum of members present in person or by proxy.

Section 15.2 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 and these By-Laws, the Declaration shall control.

ARTICLE XVI
GENERAL PROVISIONS

Section 16.1 Inspection of the Books and Records. The books, records, and papers of the Board of Directors shall be subject to inspection during reasonable business hours by any Lot Owner, except that if the Developer or the Board of Directors are engaged in litigation with a Lot Owner, such Lot Owner shall not have access to any books, records, papers, or documents which, in the judgment of the Developer or the President of the Association, contain privileged, confidential information.

Section 16.2 Notices. Any notice to be given hereunder shall be deemed to be duly given two (2) business days after it has been deposited in the United States mails, postage and all fees prepaid and addressed to the Board of Directors at its principal business office, or to a Lot Owner or Board Member at the most recent address of such person appearing on the records of the Developer or Board of Directors. The address for receipt of notices by any of the foregoing shall be deemed changed as to any of the foregoing who receive written notice of such change from the party whose address has changed.

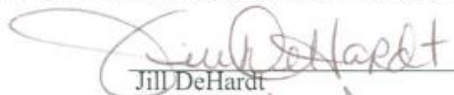
Section 16.3 Section Headings. The headings of Articles and Sections of these By-Laws are for convenience only and shall not be considered in construing or interpreting its provisions.

Section 16.4. Invalidation. The invalidity of any part of these Bylaws shall not impair or affect the validity, enforceability or effect of any other parts.

ARTICLE XVII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January, and end on the thirty-first day of December of every year.

IN WITNESS WHEREOF, we, being all of the Directors of SUMMIT WOOD PROPERTY OWNERS ASSOCIATION, INC., have hereunto set our hands and seals this 28th day of September, 2000.



Jill DeHardt

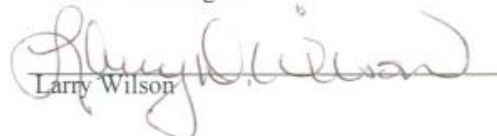


Ronald Jenkins



Anthony Koury

Charles Washington



Larry Wilson

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Summit Wood Property Owners Association, Inc., a Missouri not-for-profit corporation; and that the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 28th day of September, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 28th day of September, 2000.


Secretary

CORPORATE SEAL