BYLAWS

of

Scherer Crossing Townhome Owners Association A Condominium Owners Association

A Missouri not-for-profit corporation

March 23, 2005

BYLAWS OF SCHERER CROSSING TOWNHOMES ASSOCIATION A Nonprofit Corporation Under the Laws of the State of Missouri

ARTICLE I.

Identity

These are the Bylaws of Scherer Crossing Townhomes Association, a Missouri nonprofit corporation (the "Association").

For the purpose of these Bylaws, the terms specifically defined in the Declaration of Condominium of Scherer Crossing Townhomes (the "Declaration") or in Section 448 of the Missouri Revised Statutes (the "Act"), and any laws amendatory thereof, and supplemental thereto shall have the same meaning herein.

ARTICLE II.

Qualifications and Responsibilities of Members

The qualifications and responsibilities of members and the manner of their admission into the Association shall be as follows:

- 2.1 <u>Members</u>: Each Unit Owner, by virtue of such ownership, shall be a member of this Association (individually, a "Member" and collectively, the "Members"); provided, however, each Unit shall have no more than one membership. Each Unit Owner shall remain a Member until such time as such ownership ceases for any reason.
- 2.2 <u>Prohibition of Assignment, etc., of Member's Share in Funds of Association</u>: The share of a Member in the funds and assets of the Association cannot be assigned, pledged, encumbered, alienated or transferred in any manner except as an appurtenance to the Member's Unit.

ARTICLE III.

Member's Meeting and Voting

- 3.1 <u>Place of Meeting</u>: Meeting of the Association shall be held at such suitable places within Lee's Summit, Missouri, convenient to the Members, as may be designated from time to time by the Board (defined below).
- 3.2 <u>Annual Meetings</u>: The Members shall meet at least once a year. The annual meeting of the Members shall be held on the first (1st) day of December in each year, commencing in the year the first Unit is sold, and if such day shall be a legal holiday, then on the next secular day following, at such time and place as is specified by the President (defined below) or Secretary (defined below) in the notice of such meeting; provided, that the Board, from time to time, at any regular or special meeting, may designate a different day for the annual

meeting. Except as otherwise provided in Article IV hereof, at each annual meeting the Members shall elect a Board to serve until the next annual meeting and may transact any other business authorized to be transacted by the Members.

- 3.3 <u>Special Meetings</u>: Special meetings of the Members may be called at any time by the President or by the Board, and must be called by the President upon receipt of a written request for a special meeting signed by at least four (4) or 20% of the Members which are not Declarant of the Association. No business shall be transacted at a special meeting except as stated in the notice thereof.
- 3.4 Notices: Notice of all meetings of the Members, stating the time and place, and accompanied by a complete agenda thereof, shall be given by the President or Secretary to each Member except those who have waived such notice. Notices of special meetings shall also state the purpose thereof. Such notice shall be in writing, shall be sent by United States mail to the addresses of their respective Units or to such other addresses as any Member may have designated to the President or Secretary, and shall be mailed not less than twenty-one (21) days in advance of any annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting; provided; however, that such notice may be delivered personally to any Member if not prohibited by the statutes of the State of Missouri. Proof of such mailing or delivery shall be given by the affidavit of the person mailing or delivering the notice. Notice of the meeting may be waived in writing by any Member before or after such meeting.
- 3.5 <u>Attendance of Eligible Mortgage Holder at Meetings</u>: Any Eligible Mortgage Holder of a Unit may attend and participate in any general or special meeting, but shall have no vote unless granted by proxy.
- 3.6 Quorum: A quorum at meetings of the Members shall consist of Members present, in person or by proxy, representing at least two-thirds (2/3) of the total votes in the Association.
- Association.

 3.7 <u>Voting Power: Association Not to Vote:</u> In accordance with the Declaration, on matters that come before the Association, there shall be one vote for each Unit owned, regardless of the number of persons who may own the unit together. Accordingly, the aggregate number of votes for all Members shall total One Hundred Fifty-Five (155). When more than one person is the owner of a Unit, the votes for that Unit shall be cast as the Unit's Owners shall determine in writing, but in the absence of such a writing presented to the Secretary, the Secretary may accept a vote offered by any of the persons with an ownership in the unit, but in no event shall more than the vote allocated by the Declaration to the Unit be voted. The votes allocated to a Unit shall not be split but shall be voted as a single whole. Notwithstanding anything herein to the contrary, the Association shall not be entitled to cast the votes allocated to any Unit owned by it during the period of its ownership.
- 3.8 Manner of Casting Votes: A vote may be cast in person or by proxy. A proxy must be in writing, be signed by all owners of the Unit, the vote of which are subject to the proxy, be only to another Member or a security holder in that Unit, and be filed with the Secretary before the meeting. A proxy shall be valid until revoked in writing by all owners of such Unit.

- 3.9 Action by Members Without Meeting: Any action required by law to be taken at a meeting of the Members, or any action that may be taken at a meeting of the Members, may be taken without a meeting if authorization in writing, setting forth the action taken is signed by two-thirds (2/3) of the Members or as may otherwise be required by law.
- 3.10 Adjournment when Quorum Lacking: If a meeting cannot be organized because a quorum has not attended, the meeting shall be adjourned from time to time until a quorum is present in person or by proxy.
- 3.11 <u>Manner of Acting</u>: When a quorum is present at a meeting, any question brought before the meeting shall be decided by a majority of the voting power present in person or by proxy, unless express provisions of applicable law, the Declaration, or these Bylaws require a greater vote.
- 3.12 <u>Statement of Members and Votes</u>: At the beginning of each meeting, the Secretary, or other person designated by the presiding officer, shall certify a statement listing all Members present in person or by proxy at such meeting, the votes of each, and the total percentage of votes represented at the meeting.
 - 3.13 <u>Prohibition of Cumulative Voting</u>: There shall be no cumulative voting.
- 3.14 Order of Business at Annual and Other Meetings: The order of business at the annual meetings of the Members, and, so far as is applicable and practical, at all other meetings of the Members shall be substantially as follows:
 - (a) Certification of Members and votes present.
 - (b) Calling of the roll.
 - (c) Proof of notice of meeting or waiver of notice.
 - (d) Approval of minutes from previous meetings.
 - (e) Reports of officers.
 - (f) Reports of committees.
 - (g) Unfinished business.
 - (h) New business,
 - (i) Adjournment.

The presiding officer may vary such order as the presiding officer deems reasonable.

Board of Directors/Executive Board

Declarant Control Period

- 3.15 Membership of Board: The affairs of the Association shall be managed by a board of three (3) directors (the "Board of Directors" or the "Board", i.e. such Board is the Executive Board contemplated by the Condominium Law in Missouri) (the members of the Board shall hereinafter be referred to as the "Directors"). The directors qualifications shall include that each be an individual person, who is at least 18 years of age, with an ownership interest in a Unit, in good standing, a U.S. citizen, who has resided in a Unit for at least six months within the twelve months prior to appointment or election as director, have a satisfactory background check, and be of sufficient mental capacity to receive and evaluate information and make decisions in the best interest of the Association members. Directors shall be initially appointed by the Declarant, and are thereafter appointed or elected pursuant to the provisions herein.
- 3.16 <u>Declarant Control Period</u>: Declarant shall have a period of declarant control ("Declarant Control") over the Association, subject to the following:
 - (a) The period of Declarant Control shall continue until the earlier of: (i) sixty (60) days after the conveyance to Unit Owners, other than the Declarant, of seventy-five percent (75%) of the total number of Units; (ii) two (2) years after the Declarant has ceased to offer Units for sale or lease in the ordinary course of business; or (iii) two (2) years after any development right to add new units was last exercised. During this period of Declarant Control, the Declarant, or a person designated by it, may appoint and remove all of the Officers (hereinafter defined) and Directors. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the period of Declarant Control, provided Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
 - (b) Not later than sixty (60) days after the conveyance of Units to Unit Owners, other than Declarant, of twenty-five percent (25%) of the total number of Units, at least one member and not less than twenty-five percent (25%) of the Directors shall be elected by the Unit Owners, other than Declarant.
 - (c) Not later than sixty (60) days after conveyance to Unit Owners, other than Declarant, of fifty (50%) percent of the Units, not less than thirty-three and one third percent (33 1/3%) of the Directors shall be elected by the Unit Owners, other than Declarant.
- 3.17 Regular Meetings: Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Members. Notice of regular meetings shall be given to each Member, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day designated for such meeting, unless such notice is waived. All

Board meetings shall be open to the Members. At least one regular meeting shall be held annually. The provisions of Article III shall govern the conduct of meetings.

- 3.18 <u>Presiding Officer</u>: The presiding officer at meetings of the Board shall be the President. In his absence the Directors present shall designate one of their number to preside.
- 3.19 <u>Compensation of Directors Restricted</u>: Directors shall receive no compensation for their services, but may be paid for reasonable out-of-pocket expenses incurred in the performances of their duties as Directors.
- 3.20 <u>Powers and Duties of Board</u>: All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law, applicable statutes, the Act, the Declaration, and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Declaration, and Bylaws, and shall include, but not be limited to, the following:
 - (a) To elect and remove the officers of the Association.
 - (b) To prepare and provide to Members annually a report containing at least the following:
 - (i) A statement of any capital expenditures in excess of two (2%) percent of the current budget or Five Thousand (\$5,000.00) Dollars, whichever is greater, anticipated by the Association during the current year or succeeding two (2) fiscal years.
 - (ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.
 - (iii) A statement of the financial condition of the Association for the last fiscal year.
 - (iv) A statement of the status of any pending suits or judgments to which the Association is a party.
 - (v) A statement of the insurance coverage provided by the Association.
 - (vi) A statement of any unpaid assessments due and payable to the Association, identifying the Unit and the amount of the unpaid assessment.
 - (c) To adopt and amend budgets and to determine, establish, and collect assessments against Members to pay the Common Expenses of the Condominium.
 - (d) To use the proceeds of assessments in the exercise of its powers and duties.

- (e) To maintain, repair, replace, and operate the Common Elements.
- (f) To restore, replace, and repair improvements as provided in the Declaration.
- (g) To establish and amend rules and regulations and to establish penalties for infraction thereof.
- (h) To enforce the provisions of the Declaration, these Bylaws, the Act, and the rules and regulations established by the Board or Association, including recovery of monetary penalties and injunctions, and including purchase of Units, in the name of Association, at foreclosure or other judicial sale.
 - (i) To obtain and maintain insurance as provided in the Declaration.
- (j) To contract for management of the Condominium and to delegate to such manager such powers and duties as the Board shall determine, except such as are specifically required by the Declaration, these Bylaws, or the Act, to be done by the Board or the Members, provided that no such contract shall be entered into for a period exceeding three (3) years and shall provide, at a minimum, that it shall be terminable by the Association, for cause, upon thirty (30) days written notice.
- (k) To employ or contract for personnel for reasonable compensation to perform the services required for proper administration of the Association and for proper care and maintenance of the Common Elements.
 - (1) To pay all Common Expenses.
- (m) To contract for such services for the Condominium as the Board deems necessary or desirable.
- (n) To bring, prosecute, defend, settle and intervene in actions and lawsuits for and on behalf of itself, or on behalf of two (2) or more Members, with respect to any cause of action relating to the Condominium, the Common Elements or to more than one Unit. All costs and expenses incurred in connection with any such action or lawsuit, including settlement thereof, not paid by the opposing party or parties or the Members benefited thereby, shall be a Common Expense.
- (o) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.
- (p) To perform such other acts as may be delegated to the Association or Board by applicable statutes, the Declaration, these Bylaws, or the Act, and to perform such other acts as may be incidental to or necessary in the performance of the foregoing.
- (q) To borrow money for the repair, replacement, maintenance and reconstruction of Common Elements, and to pledge and pay assessments, and any and all other revenue and income for such purpose.

- (r) To buy Units in foreclosure of an assessment lien or at any other time or for any other reason and to sell, lease, mortgage, and otherwise deal in Units from time to time owned by the Association.
- (s) To impose from time to time, and collect, reasonable rates, fees and charges for the use, rental or operation of facilities and other amenities forming all or part of the Common Elements, other than Limited Common Elements.
- (t) To grant leases, licenses and concessions not to exceed one (1) year and utility easements through and over the Common Elements; provided, however, that after conveyance to Unit Owners other than Declarant or an affiliate of Declarant of Units to which more than fifty (50%) percent of the voting power is allocated, the Association may by resolution of the Members at a meeting duly called for such purpose grant leases, licenses and concessions in excess of one (1) year and easements through and over the Common Elements.
- (u) To impose and collect reasonable charges, including attorneys' fees, for the evaluation, preparation and recordation of amendments to the Declaration, preparation of resale certificates required by Section 448.4-109 of the Act, or statements of unpaid assessments.
- (v) To provide for indemnification of the Association's officers and directors and maintain officers' and directors' liability insurance. (448.3-102 (13)).
- (w) To assess against any Unit Owner who fails or refuses to make any payment of the Common Expenses when due, the amount thereof, together with a late charge of Twenty-five Dollars (\$25.00) per month after the 10th day of the month in which the payment becomes due.
- (x) To assess, after notice and an opportunity to be heard, levy reasonable fines for violations of the Act, the Declaration, these Bylaws, or the rules and regulations of the Association.
- (y) To keep financial records sufficiently detailed to enable the Association to comply with Section 448.3-118 of the Missouri Uniform Condominium Act.

Officers

3.21 <u>Designation of Officers</u>: The officers of this Association shall be a President and Vice-President, who shall at all times be a member of the Board of Directors, a Secretary and a Treasurer, and any such other officer(s) as the Board may from time to time by resolution create. A person may hold one or more offices at one time, except that the President shall not at the same time hold another office in the Association.

- 3.22 <u>Election of Officers</u>: Each officer of the Association shall be appointed by the Declarant during the period Declarant Control and thereafter shall be appointed or elected as provided herein.
- 3.23 <u>Term</u>: Each officer of this Association shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise becomes disqualified to serve. Consecutive terms of office are permitted up to a maximum of five (5) terms.
- 3.24 <u>Removal</u>: Any officer may be removed from office with or without cause by the Declarant during the period of Declarant Control and thereafter by a majority vote of the Directors at any meeting of 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.
- 3.25 <u>Vacancy</u>: Any vacancy in any office shall be filled by the Declarant if during the period of Declarant Control, and thereafter by the Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office, and until his successor has been duly elected and has qualified.

3.26 Powers and Duties of Officers:

- (a) <u>President</u>. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of the President of a corporation, including, but not limited to, the duty to preside at all meetings of the Board and of the Members at which he is present, and the general supervision over other officers in the management of the business and affairs of the Association. He shall see that all actions and resolutions of the Board are carried into effect.
- (b) <u>Vice-President</u>. The Vice-President shall perform such duties of the President, and in the absence of the President shall perform the duties and functions of the President.
- (c) <u>Secretary</u>. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notices to the Members and Directors and all other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of a secretary of a corporation, and as may be required by the Directors or the President.
- (d) <u>Treasurer</u>. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and principles, and shall submit them, together with all his vouchers, receipts, records, and other papers to the Directors for their examination and approval, as often as they may require. He shall deposit all moneys and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated from time to time by

the Board, shall disburse the funds of the Association as ordered by the Board, and shall perform all other duties incident to the office of a Treasurer of a corporation. If a managing agent or manager be employed, the Board may designate some or all of the foregoing functions to be entrusted to him or it, subject to overseeing control by the Treasurer.

- 3.27 <u>Execution of Agreements, etc.</u> All agreements, contracts, deeds, mortgages, or other instruments shall be executed by any two (2) officers, or by such other person or persons as may be designated from time to time by the Board.
- 3.28 <u>Compensation of Officers Restricted</u>. No officer of the Association shall receive compensation for his services in such capacity, but may be reimbursed for reasonable out-of-pocket expenses incurred in performing his duties.

ARTICLE IV.

Directors' and Officers' Indemnity

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by Section 448.3-102(13) of the Missouri Statutes, as now enacted or hereafter amended.

ARTICLE V.

Fiscal Management

- 5.1 <u>Depository</u>: The depository of the moneys of the Association shall be such bank or banks as from time to time shall be designated by the Board. Withdrawal of moneys from such depository shall be only by checks signed by any two (2) officers of the Association, or any other persons as may from time to time be authorized by the Board.
- 5.2 <u>Records of Association</u>: The books, accounts, and records of the Association shall be open to inspection and examination by any Member of the Association and any Security Holder at all reasonable times.
- 5.3 <u>Payment Vouchers</u>: Payment Vouchers shall be approved by the Board unless such authority to approve the same has been delegated to any officer or manager by the Board.
- 5.4 <u>Fiscal Year</u>: The fiscal year of the Association shall be the calendar year; provided that the Directors, from time to time, by resolution, may change the fiscal year to some other designated period.

ARTICLE VI.

Assessments

6.1 Obligation of Members to Pay Assessments; Amount of Levy: Until the Declarant or the Association, by vote of the Board, levies a common expense assessment,

Declarant shall pay all accrued expenses of the condominium. Thereafter, each Unit Owner shall be severally liable for the Common Expenses that are levied against his Unit while a Unit Owner. Each Unit shall be assessed an equal base assessment and for any Common Expenses not covered thereby, each Unit shall be assessed in accordance with that Unit's Percentage of Ownership.

- Annual Budget: Each fiscal year, beginning with the fiscal year beginning 6.2 January 1, 2004, the Board shall prepare and adopt a budget for that fiscal year, including therein estimates of the amount necessary to pay the Common Expenses, together with amounts considered necessary by the Board for reserves. After preparation and adoption of each such budget, the Board shall, within thirty (30) days after adoption of any proposed budget, provide each Member with a summary of the budget and shall set a date for a meeting of the Members to consider ratifications. Said meeting shall not be less than fourteen (14) nor more than thirty (30) days after mailing the summary. Unless a majority of the Members reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the previous budget last ratified by the Members shall continue until such time as the Members ratify a subsequent revised budget proposed by the Board. Notwithstanding the foregoing, the first budget after the creation of the Condominium shall be prepared and adopted by the Board or Declarant for the balance of the then fiscal year of the Association, and notice of the amount the assessment against each Unit for such balance of the fiscal year shall be given by the Board or Declarant to each Unit Owner after the adoption of the assessment and shall be deemed levied upon notice thereof given by the Board or Declarant.
- 6.3 <u>Reserves Funds</u>: The Board shall establish such maintenance funds and reserves from time to time as it deems necessary or desirable, including the following:
 - (a) <u>Reserve Fund for Replacements</u>. To this fund shall be credited all sums collected or set aside for the purpose of effecting replacements of structural elements, and other Common Elements of the Condominium.
 - (b) General Operating Reserve Fund. To this fund shall be credited all sums collected to provide a reserve for purposes of providing a measure of financial stability during periods of special stress, and may be used to meet deficiencies from time to time as a result of delinquent payments of assessments and other contingencies.
 - (c) <u>Maintenance Fund</u>. To this fund shall be credited collections of assessments for all Common Expenses for the current year as well as common profits and surplus from the previous year, and not to be credited to either of the above reserve funds.

No amounts have been initially included in the budged as a reserve for repairs and replacements. The reserve funds described above shall be maintained only in such amounts as deemed necessary or desirable by the Board, subject, however, to the preceding sentence. To the extent maintained, funds therein shall be held in such accounts and with such depositories as the Board, in its discretion, selects.

6.4 Failure to Prepare Budget and Levy Annual Assessments Deficiencies in Procedure: The failure of the Board to prepare or delay of the Board in preparing any budget,

and to levy or in levying assessments, shall not constitute a waiver or release of the Members' obligation to pay assessments whenever the same shall be determined and levied by the Board. Until a new assessment is levied by the Board pursuant to Section 8.2, each Member shall continue to pay the assessment previously levied pursuant to Section 8.2 in the same amount and at the same periodic times as levied, or as the Board may otherwise advise in writing. Also, any deficiencies or inadequacies in the procedure followed by the Board in levying an assessment shall not in any way affect its validity or the obligation of Members to pay such assessment.

- 6.5 Assessment Roll; Statement: All assessments shall be set forth upon a roll of the Units, which shall be available in the office of the Association for inspection at all reasonable times by Members and Eligible Mortgage Holders, and their duly authorized representatives. Such roll shall include, for each Unit, the name and address of the Unit Owner, all assessments, levied, and the amount of all assessments unpaid. The Association, upon written request, shall furnish to a Unit Owner, or his authorized agent, a statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and shall be binding upon the Association and all Unit Owners. For such statement a reasonable fee may be charged by the Board.
- 6.6 <u>Default and Enforcement</u>: If any assessment, or installment thereof, remains delinquent for ten (10) days, then that assessment, and all other assessments then a lien against that Unit, may be declared by the Board to be immediately due and payable in full, with interest, without further notice, and may be foreclosed by the Association in the manner provided by Section 448.3-116 of the Act. The Board shall provide written notice to each Mortgage Holder with respect to a Unit if the Unit Owner is delinquent ten (10) days and shall notify the Eligible Mortgage Holder that all sums are due and payable and that the Board may foreclose under the Act.

ARTICLE VII.

Subdivision

No Unit Owner may subdivide or convert, relocate the boundaries of, or alter, his Unit, except as otherwise provided in the Declaration.

ARTICLE VIII.

Compliance, Enforcement, Fines and Penalties

- 8.1 Each Unit Owner, occupant and Eligible Mortgage Holder, shall be governed by and shall comply with the terms, conditions, obligations, and provisions of the Act, the Declaration, these Bylaws, and the rules and regulations, as the same may be amended from time to time.
- 8.2 A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Act, the Declaration, these Bylaws, or the rules and regulations, as the same may be amended from time to time, by any Unit Owner or occupant, shall be grounds for relief that may include, without intending to limit the same or to constitute an election for any

action or cause of action to receive fines and penalties for such default or failure as determined by the Board, sums due for damages, an injunction, or any combination thereof, and which relief may be sought by the Association, or, if appropriate, by any one or more aggrieved Members, or both. Also, if any Member fails to perform any obligation under the Act, the Declaration, these Bylaws, or such rules and regulations, as the same may from time to time be amended, then the Association may, but is not obligated to, perform the same for the Member's account, and for such purpose may enter upon his Unit, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may levy a special assessment against the Unit owned by such defaulting Member.

- 8.3 In the event of any such default or failure, the Board shall promptly serve upon or mail to the defaulting Member, and each Eligible Mortgage Holder of that Member's Unit, a written notice specifying the nature of the default, and cure thereof, and the time within which the cure shall be effected. The defaulting Member may cure the default within the time specified in the notice or may serve upon or mail notice to the Board requesting a hearing before the Board.
- 8.4 If a defaulting Member requests a hearing, the Board shall serve upon or furnish to the defaulting Member and each Eligible Mortgage Holder a notice specifying the time and place for such hearing. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable. The Board shall not exercise any remedies to obtain relief from the defaulting Member until the hearing is over and the Board has made its determination and served upon or mailed the same to the defaulting Member and each Eligible Mortgage Holder. Upon taking such evidence and hearing such testimony, the Board shall determine in writing, and at its sole option, to: (i) waive the default in whole or in part, (ii) extend the time within which the default may be cured, or (iii) levy a fine or penalty.
- 8.5 If the defaulting Member (i) does not cure the default or request a hearing within the time limit specified in the original notice of default, or (ii) so requests a hearing, but fails to cure the default (to the extent not waived by the Board) within the extended time, if any, granted by the Board after the hearing, then the Board shall serve upon or mail to the defaulting Member and each Eligible Mortgage Holder a written notice of such Member's failure to effect the cure, and the Board may proceed to take such action as it deems necessary to obtain relief.
- 8.6 In any proceeding arising because of an alleged default by a Member, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be allowed by the court, with interest thereon at twelve (12%) percent per annum from the dates such costs are incurred until paid.
- 8.7 The failure of the Association or of any Member thereof to enforce any term, provision, rights, covenant, or condition that may be granted by the Act, Declaration, these Bylaws, or the rules and regulations, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a Member or to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

ARTICLE IX.

Amendment

An amendment to these Bylaws shall be made and approved in the manner set forth in Section 448.2-117 of the Act and by not less than sixty-seven (67%) percent of the Units, and once made, shall become effective when recorded in the same manner and place as an amendment to the Declaration.

ARTICLE X.

General Provisions

10.1 Rules and Regulations: The Board may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation, and use of the Common Elements so as to promote the common use and enjoyment thereof by Unit Owners and occupants, and for the protection and preservation thereof.

In addition, the Board may adopt such rules and regulations as it deems reasonable and necessary with respect to Units to provide for the common good and enjoyment of all Unit Owners and occupants, including, without limitation, the right to adopt such rules and regulations with reference to children, animals and leases. Also, the Board may from time to time establish penalties for infraction of such rules and regulations. Copies of all such rules and regulations and any amendments thereto shall be furnished to all Members, and a copy shall be posted or otherwise made available to Members at the office of the Association. However, failure to furnish or pose such rules or regulations shall not affect in any way their validity or enforceability. Any such rule or regulation adopted by the Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted, by the Members at an annual or special meeting of the Members. Any such act of the Members shall control over any contrary rule or regulation then or thereafter adopted by the Board. All rules and regulations shall be equally and uniformly applicable to all Unit Owners, occupants and Units, but need not be equally uniformly applicable if it is determined that such unequal or nonuniform application is in the best interest of the Association or if equal and uniform application is not practicable.

- 10.2 <u>Parliamentary Authority</u>: Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, the Act or any statutes of the State of Missouri applicable thereto. The chairman of the meeting shall have the authority to appoint a parliamentarian if he deems it necessary.
- 10.3 Compliance with the Act; Conflict; Severability: These Bylaws are established in compliance with the Act. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of said Act, the provisions of said Act shall control. In the case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any such term, provision, limitation, paragraph or clause of these Bylaws or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

10.4 <u>Interpretation of Bylaws</u>: Whenever appropriate the singular number may be read as the plural, and the plural may be read as the singular. The masculine gender may be read as the feminine gender or as the neuter gender. Compound words beginning with the prefix "here" shall be read as referring to this entire set of Bylaws and not merely to the part of it in which they appear.

The undersigned, the duly appointed and acting President of the Association, hereby certifies that the foregoing Bylaws have been duly adopted by the Association, and are in full force and effect as of the date hereof.

By: President

Approved:

DECLARANT

HIGDON/MoNARY CONSTRUCTION, LLC

A Missouri Limited Liability Company

Name: Kevin Higdon, Managing Member

Dated: March 23, 2005

Merch 24, 2005 Kin

STATE OF Missouri) ss COUNTY OF Jackson)

On this Haday of March, 2005, before me appeared Kevin Higdon, to me personally known, who, being by me duly sworn did say that he is managing member of Higdon/McNary Construction, LLC., a Missouri limited liability company, and that the above Bylaws instrument was signed on behalf of said company, and acknowledged that he executed said instrument as the free act and deed of said limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by notarial seal the day and year last above written.

DARCY A. KUNTZ NOTARY PUBLIC-NOTARY SEAL STATE OF MISSOURI JACKSON COUNTY

[SEAL] JACKSON COUNTY
MY COMMISSION EXPIRES FEBRUARY 28, 2006

My Commission Expires: Feb 28, 2007

Notary Public

Printed Name:

RULES AND REGULATIONS OF

SCHERER CROSSING TOWNHOME OWNERS ASSOCIATION

Pursuant to the Declaration of Condominium for Scherer Crossing Townhomes (the "Condominium") and the Bylaws of Scherer Crossing Townhomes Association (the "Association"), the following Rules and Regulations pertain to each Unit and are binding upon all Owners of the Condominium. These Rules and Regulations are in addition to the covenants and restrictions set forth in the Declaration and Bylaws. All capitalized terms used herein shall have the same meaning as set forth in the Declaration.

A. RESTRICTIONS ON USE AND IMPROVEMENTS

In addition to limitations established by law and by additional rules and regulations which may from time to time be promulgated by the Board, all Owners, except the Declarant, shall observe and be subject to the restrictions set forth in Article IV of the Declaration and other rules and regulations which appear below.

1. Restrictions of the Declaration of Condominium. These Rules and Regulations incorporate the restrictions of Article IV of the Declaration of Condominium:

The Units, the Common Elements, (including Limited Common Elements) and parking spaces and storage areas shall be subject to the following:

- a. Each Unit not owned by the Declarant (or its affiliates) shall be occupied only by the Owners and their immediate family or, subject to the provisions of Section 4.01(v) hereof, pertaining to the leasing of Units, by the tenant, guest, or employee (and his/her immediate family) of any Owner. Each Unit shall be used for residential purposes only (as defined in the zoning ordinances of the City) and shall not be used for commercial or other purposes; provided, however, that this restriction shall not prevent an Owner from maintaining an office area in its residence in accordance with applicable ordinances of the City.
- b. Each Owner shall have the exclusive right, at its sole cost and expense, to paint, repaint, tile, wax, paper or otherwise finish, refinish and decorate the inner surfaces of the walls, ceilings, and floors which comprise the boundaries of its own Unit and the surfaces of bearing walls and partitions within the Unit, and to clean the interior surfaces of windows and doors bounding its Unit. The approval of the Board of Directors shall not be necessary for the activities set forth in the preceding sentence; however, if any floor coverings other than carpeting are installed in any Unit, each Owner shall install sound attenuation materials that must be approved by the Board prior to installation. Each Owner shall maintain its Unit in a clean, safe, sanitary and attractive condition. Each Owner shall also be responsible for the (i) maintenance, repair or replacement of all plumbing lines, plumbing fixtures, electrical wiring, lighting fixtures, heating and air-conditioning equipment, and water heaters located within the Unit, and

- (ii) as all utility lines located within the Unit. Notwithstanding the foregoing, Owner shall use the services of the Association's approved contractors, if any, as set forth in the Rules and Regulations of the Association, for any repair, maintenance or improvement services identified in this Subsection 4.01(b) herein and shall coordinate same with the Board or its designee prior to commencement.
- c. Each Unit shall be maintained in accordance with this Declaration, the Bylaws and the Rules and Regulations which may be adopted by the Board of Directors of the Association from time to time.
- d. If required by law for the condominium, each Unit shall have an appropriate fire sprinkler system.
- e. There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements (except designated storage areas) without the prior written consent of the Board. Floors and windows that reflect or admit light into Common Areas shall not be covered or obstructed by an Owner. Toilets and other apparatus shall not be used for any purpose other than that for which they were constructed. No sweepings, rubbish, sanitary napkins or other obstructing items or substances shall be disposed of in any toilet or related apparatus. Owner shall not injure, overload or deface the Buildings or the woodwork or walls of the Common Elements.
- f. Nothing shall be altered or constructed in or removed from the Common Elements, except by the Declarant or the Association, or with the written consent of the Board.
- g. Nothing shall be done or kept in any Unit or in the Common Elements or Limited Common Elements which will increase the applicable rates of insurance without the prior written consent of the Board. No Owner shall permit anything to be done or kept in its Unit or in the Common Elements which will result in the cancellation of any insurance or which would be in violation of any law, and no waste shall be committed in the Common Elements.
- h. No reflective materials, advertising, art work, signs of any kind, or materials of any kind shall be installed, placed or hung on the exterior (or visible through the windows) of any Unit or the Common Elements and no clothing or other personal effects shall be placed upon or hung in view of the exterior portion of any Unit or the Common Elements, without the prior written consent of the Board. Except as otherwise provided with respect to the Special Declarant Rights, no real estate signs advertising Units for the sale or rental shall be displayed on or about the Condominium or any Unit, without the prior written consent of the Board.
- i. No animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall be kept, raised or bred in any portion of the property, except that an Owner may keep as pets in any one Unit up to two cats or dogs with a maximum

individual weight of 25 pounds, or two caged birds, subject to the rules and regulations of the Board and applicable county ordinances. Fish maintained in a household aquarium not exceeding 50 gallons shall not be deemed to be "animals" as defined herein. Any pet creating a nuisance or unreasonable disturbance or noise (in the sole judgment of the Board) shall be permanently removed from the property upon written notice from the Board. Any pet owner shall be responsible for complying with all regulations relating to pets established by the Board, and for disposing all pet waste appropriately.

- j. No gardening or farming of any kind shall be carried on within any Unit or any Limited Common Elements, unless plants shall be kept in appropriate containers using a water drainage system which precludes any leakage onto the floors of the Unit, and which do not become unsightly or offensive.
- k. No noxious, offensive or illegal activity of any kind shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners. No Owner, guest, tenant or any other Person shall have loud parties or play stereo equipment or musical instruments in a loud manner or otherwise permit or make loud noises audible outside its Unit. No Owner, guest or tenant shall permit any noxious, offensive or unusual odors or smells of any kind to emanate beyond the boundaries of the Unit.
- 1. No drilling operations of any kind shall be permitted upon or within any Unit or the Common Elements, or in the concrete floors or ceilings, without the prior written consent of the Board.
- m. No Owner shall deposit any garbage, refuse, or rubbish on or about the Common Elements except in appropriate containers suitably placed as designated by the Board so as not to detract from the physical appearance of the Common Elements or the Condominium. No Owner, guest or tenant shall permit any noxious, offensive or unusual smells or odors of any kind to emanate beyond the boundaries of its Unit. The Declarant and or Association shall assure that regular weekly removal of ordinary household waste from the Condominium is available and such service shall be deemed a common expense to be shared by all Owners. There shall be no dumping or abandonment of large items, such as furniture, appliances, mattresses, tires or other materials on the premises of the Condominium. In the event of such dumping, the Owner responsible may be charged with the costs for its removal as well as administrative fees or fines associated with such dumping.
- n. Each Owner shall be liable to the Association for any damage to the Common Elements or any improvements, landscaping or equipment thereon which may be sustained by reason of the negligence or misconduct of said Owner, or its family, guests, invitees, tenants, domestic employees or animals; and the Board shall assess said Owner for the costs of any necessary repairs or replacements, together with costs and attorneys' fees, such assessment to be due

and payable immediately or on a date established by the Board by written assessment notice.

- o. If any portion of the Common Elements encroaches upon a Unit, a valid easement for the encroachment and for the maintenance of such Common Elements shall and does exist, so long as the encroachment continues. In the event any part of the Condominium is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the Common Elements due to construction shall be permitted and that valid easements for said encroachment and the maintenance of such Common Elements shall exist. The Common Elements are and shall always remain subject to easements for minor encroachments by Owners for repairs and construction relating exclusively to their respective Units.
- p. The number, types, colors and sizes of any and all furniture, window coverings, umbrellas, plants, lights and other objects on balconies, terraces and porches shall not be unsightly or interfere with others' use or enjoyment of their property or the common elements, and shall also be subject to further control and regulation by the Board.
- q. In decorating a Unit, each Owner is solely responsible for compliance with the fire protection laws and the building and safety codes of the City and shall indemnify the other Owners and Association for any violation thereof which causes loss or damage to Persons or property.
- r. No heavy trucks, construction equipment, commercial vehicles, boats, house trailers, campers, motor homes, inoperable vehicles, boat trailers, or trailers of any other type shall be permitted to be parked or stored on or within the Condominium, without the prior written approval of the Board, which may establish reasonable further restrictions, rules and/or regulations in its discretion. This prohibition shall not apply to the temporary parking of trucks and commercial vehicles, during periods of approved construction or for pick-up, delivery and other commercial services. The Declarant's exercise of the Special Declarant Rights described herein shall be an approved use of the above in all events.
- s. No bicycles, baby carriages, playpens, bicycles, wagons, toys, vehicles, charcoal burners or other outdoor cooking devices, nor any other items shall be parked or stored on any part of the Common Elements or Limited Common Elements, in a manner so as to be exposed to public view from the exterior of any Unit, without the prior written consent of the Board. Such items may, however, be kept in a storage area designated for that purpose.
- t. Without the Board's prior written consent, no Owner shall install, store or operate within any Unit any steam engine, boiler or other machinery, or carry on any mechanized business therein, or use or allow the use within the Unit of any oil, burning fluids, gasoline or kerosene for heating, warming or lighting

purposes. No materials deemed highly flammable nor shall any explosives be brought into any Unit. No offensive gases or liquids shall be permitted.

- u. After reasonable notice to the Owners, the Board may establish additional rules and regulations governing and further restricting the use of the Units and Common Elements in any manner not inconsistent with the provisions of this Declaration. The Board, or any Owner, shall have the right to enforce such rules and regulations by any proceeding at law or in equity.
- v. Each Owner shall be obligated to pay any and all charges and assessments for electricity, other utilities, and taxes levied against its Unit. Any utility charges to the Association shall be assessed against all Owners in accordance with Article VII above. No Owner shall be exempt from liability for applicable specific assessments or charges which the Board may levy pursuant to this Declaration.
- w. Any leasing of a Unit by an Owner other than Declarant shall be subject to the following restrictions: Any leasing of a Unit by an Owner other than Declarant shall be subject to the following restrictions:
 - (a) Each lease shall be in writing, and shall require all occupants of the premises to comply with this Declaration, the Bylaws, the Rules & Regulations and all other documentation associated with the Condominium;
 - (b) A copy of the executed lease shall be furnished to the Declarant and/or the Association upon request, and satisfactory identification of all occupants of the premises shall be provided by the Unit owner and/or occupants within seven days of occupancy and thereafter upon request. In the event the Unit owner and/or the occupants shall fail to provide such information within seven days of a request, the Unit owner and occupant shall be deemed in violation of this Declaration.
 - (c) Non-resident owners shall provide the Association with addresses or points of contact for someone with authority to receive information and act on its behalf for each unit. Delivery of notice and information to the last address of any such owner on record with the Association shall be deemed satisfactory for providing notice to the owner and in compliance with this Declaration.
- 2. <u>Alterations/Improvements to Units</u>. The following requirements, restrictions and limitations shall apply to the installation of improvements and equipment by Owners on or about their Units:
 - a. No vestibule projections, decks, balconies, awnings, spouts, chimney, trellises, grills, poles or flagpoles, porches, bay, bow or oriel windows or doors, cornices, brackets, pilasters, pergolas, cupolas or similar projections or ornaments shall be connected to or installed or maintained upon any Unit, which project

beyond the exterior shell of the Building, and no other windows, doors, openings or apertures of any kind may be installed, repaired, replaced or maintained in the exterior shell of the Building, without the prior written consent of the Board. With respect to the installation of awnings, sunshades, screen doors, and other minor additions to any Unit, the prior written approval of the Board shall be necessary and shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the Condominium as a whole.

- b. No antennas, communications equipment, satellite dishes, weather vanes, electrical, telephone or television cables or other wires or lines, and no solar collectors or recreational or exercise equipment which extends beyond the exterior shell of the Building shall be placed, connected, erected or maintained upon any Unit or Common Elements (including any balcony), without the prior written consent of the Board except to the extent the Association or this Declaration cannot restrict an antennae or satellite dish pursuant to the express terms of the Telecommunications Act of 1996.
- c. No heating or air-conditioning equipment of any kind and no solar collectors shall be erected or maintained upon any of the Units or Common Elements, without the prior written consent of the Board.
- d. No Owner shall make any alterations, additions or modifications to any part of the Common Elements, or decorate the exterior portion of any Unit or Common Element, without the prior written approval of the Board except as may be specifically permitted in the rules and regulations of the Condominium, from time to time. No building, fence, wall, or other structure shall be constructed, erected or maintained upon the Property or Condominium, nor shall any interior or exterior improvement, addition, change, or alteration be made to the Building and/or Common Areas, until detailed architectural plans and specifications showing the nature, kind, shape, height, materials and location of same have been submitted to and approved in writing by the Board. All such proposed improvements shall fully comply with applicable City Codes, including those for fire, safety, plumbing, electrical, and heating ventilation and air-conditioning systems. The Board reserves the right to set and enforce standards which exceed applicable City Codes in its sole and absolute discretion; provided that Board approval shall in no way be deemed to imply compliance with or waiver of compliance with any applicable requirement of City Codes. In the event the Board fails to approve or disapprove the design and location of any proposed improvement within thirty (30) days after plans and specifications have been submitted, the contents of the plans and specifications shall be deemed to have been disapproved.
- e. After acquiring all or pertinent parts of an adjoining Unit (subject to satisfaction of the requirements herein), an Owner may remove or alter any previously shared wall or create interior doors, windows or other apertures therein, even if the shared wall is wholly or partially a Limited Common Element or Common Element; provided that such alterations are made in accordance with

all applicable provisions of the Act and do not impair the structural integrity or mechanical or electrical or other systems of the Condominium or Property, and provided all such alterations are approved by the Board of the Association according to the procedures required in Section 4.02(f) of this Declaration. The removal of walls, creation of apertures, and alteration of sound insulation between Units or weather-stripping of Units under this subsection shall not be permitted under any circumstances for boundary or demising walls which are also exterior walls or which remain as exterior Unit boundaries.

- f. Subject to the terms of this Declaration, including but not limited to Section 4.01(b) hereof, and the Rules and Regulations of the Association, Owners may make any non-structural, interior improvements or alterations to their Units they may desire. All other improvements or structural alterations, including combining of Units, must receive the Board's prior approval as set forth in this Section 4.02(f). The Board of Directors shall first review and approve detailed architectural plans and specifications or work orders and contracts for proposed improvements and/or structural alterations to the Unit. All such proposed improvements or alterations shall fully comply with the appropriate law, including those for fire, safety, plumbing, electrical, and heating ventilation and air-conditioning systems, and must be prepared, approved and certified by a licensed professional engineer qualified in structural engineering standards. The Board of Directors reserves the right to set and enforce standards which exceed applicable City codes in its sole and absolute discretion; provided that the Board approval shall in no way be deemed to imply compliance with or waiver of any applicable City code requirement.
- g. No Owner shall do any act or any work that will impair the structural soundness and integrity of the mechanical, electric or other systems, or the support of any portion of the Buildings or Common Elements or impair any easement or hereditament. No Owner shall in any way alter, modify, add to or otherwise perform any work whatever upon any of the Common Elements or Limited Common Elements without the prior written consent of the Board. Any such alteration or modification shall be in harmony with the external design and location of the surrounding structures and topography, and shall not be considered until submission to the Board of Directors of the Association of complete plans and specifications showing the nature, kind, shape, size, materials, color and location for all proposed work.
- h. Notwithstanding any other provisions in this Declaration, the Declarant and its agents and employees shall have the express right and privilege during the period of original sale of the Units in the Condominium: (1) to complete the development, improvement and sale of the Units, together with the improvement and interior decorating of the lobbies and any unsold or model Units; (2) to maintain and operate model Units for sales and administrative purposes; (3) to maintain a banner sign on the exterior of the Building or Buildings with general advertising for a period of up to two (2) years after closing of the first original sale of a Unit from Declarant; and (4) to show the

Condominium, any unsold Units or available floor space which are offered for sale, including the right to use such Common Elements and facilities as the Declarant deems appropriate, convenient or incidental to the sale of Units, in its sole discretion, including, but without limitation, the exclusive right to use any portion of the Condominium as a business office, the right to display "For Sale" or "For Rent" and other appropriate signs in aid of the sale or rental of all Units, and the right to maintain and operate a fully staffed customer service, sales and leasing office complex in such other portions of the Condominium including the Common Elements as may be necessary or convenient under the circumstances. The foregoing rights shall continue and remain effective until the completion of all original sales of all the Units within the Condominium to Owners other than the Declarant.

- i. Notwithstanding the provisions of any State law or City ordinances to the contrary, the Declarant shall have and may freely exercise each of the foregoing rights and privileges described in Subsection 4.02(h) above without notice to or consent of any kind from the other Owners; and each and every Owner and its heirs, successors and assigns shall be conclusively presumed to have waived any and all rights afforded under State law or City ordinances for notice or consent to any lot split, minor subdivision, plat amendment, variance, or other right or privilege described herein, by virtue of its ownership or acquisition of a Unit, whether by sale or by operation of law.
- 3. Parking and Vehicular Restrictions No Owner shall park, store or keep within or on any parking space within the Condominium any truck or commercial type vehicle, any recreational vehicle (including, but not limited to, any camper unit, house/car, motor/mobile home, boat or other water crafts, or snow mobiles), any bus, trailer, trailer coach, camper trailer, boat, or any inoperable vehicle. The above excludes pick-ups, camper trucks, vans, and similar vehicles which do not exceed three-quarters (3/4) of a ton in weight when used for everyday transportation by the Owner of a Unit or the Owner's tenant.
- b. No Owner shall park, store, or keep anywhere within the Condominium any vehicle or vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board. Except for pick-ups which do not exceed three-quarters (3/4) of a ton in weight in daily use as provided above, trailers, campers, motor homes and similar recreational vehicles shall be not be parked or stored in the Condominium.
- c. No Owner shall maintain, repair, rebuild, dismantle, paint, service or restore any motor vehicle, boat, trailer, aircraft or other vehicle anywhere within the Project, including without limitation within any parking stall. This restriction shall not be deemed to prohibit polishing of vehicles. No vehicle may be parked or stored in any parking stall which does not fit within the boundaries of such stall. No vehicles may be operated within the Condominium which are unreasonably noisy or which emit an unreasonable amount of smoke or other

emissions. No off-road unlicensed motor vehicles may be operated within the Condominium.

- d. In addition to the foregoing restrictions, parking of any and all automobiles, motorcycles or similar vehicles and of any bicycles in the parking stalls shall be subject to such reasonable, non-discriminatory Rules and Regulations as the Association may promulgate. Further, the Association shall have the right to regulate and establish reasonable, nondiscriminatory Rules and Regulations relating to the use and operation of the portions of the Common Elements and Limited Common Elements.
- 4. Enforcement of Restrictions In the event that the Association determines that an Owner is not maintaining its Unit or the assigned or appurtenant Limited Common Elements, in accordance with the applicable standards, or continues to violate any of the restrictions on use or improvements contained in Section 4.01, Section 4.02 or Section 4.03 above and as may be otherwise established by the Board from time to time, so that (in the discretion of the Association) the physical or aesthetic qualities of the Condominium or the peace and quiet enjoyment of other Owners are detrimentally affected, and the Owner of such Unit fails to properly remedy any such condition within thirty (30) days after notice in writing, then in such event the Board shall have the right: (1) to assess fines as Special Unit Expenses upon the offending Owner (as described in Article VII above) in such amounts as the Board deems necessary to effect compliance with the requirements, or (2) to enter said Unit or Limited Common Element and perform such repairs, maintenance or alterations as it deems necessary or appropriate and. levy the costs and expenses of such actions as Special Unit Expenses upon the Owner of such Unit. So long as the Association, its agents, servants or employees exercise reasonable care in the performance of said repairs, maintenance or alterations, they shall not be liable to the offending Owner for any damages caused in so doing. The cost of such work shall be collected in the same manner as other assessments. In addition, the Board or its representatives, together with emergency personnel, shall have an immediate right of access to all Units in the Owners' absence under emergency conditions. Furthermore, the Association shall be entitled to tow or cause to be towed, and/or may impound or cause to be impounded, any automobile or other vehicle that is operated, parked or stored in violation of the restrictions set forth in Section 4.03 of this Declaration or any applicable rule or regulation. The costs and expenses incurred in connection with any such activity shall be assessed against and collected from the applicable Owner in the same manner as other assessments.
- b. To secure payment of any fine assessed or cost and expense incurred by the Board, the Association shall have authority to create a lien, as described in Article VII herein, ultimately enforceable by foreclosure of the Unit. The violation of any restriction or regulation adopted by the Association, or the breach of any covenant or provisions herein contained, shall give the Association the right in addition to all other rights set forth herein:

- (1) To enter upon the portion of the Condominium upon which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition which may exist thereon, contrary to the intent and meaning of the provisions hereof, and the Declarant, the Association, or their successors, assigns or agents shall not thereby be deemed guilty in any manner of trespass; or
- (2) To enjoin, abate or remedy the continuance of any breach by appropriate legal proceedings, either at law or in equity;
- (3) To recover in any legal proceedings to enjoin, abate or remedy a breach, all costs of such action, including court costs and reasonable attorneys' fees.
- B. In addition, if any Owner (either by its own conduct or by the conduct of any other occupant including Tenant, guest, or employee of its Unit), shall violate any of the covenants, restrictions or provisions of this Declaration or the rules and regulations adopted by the Association, and such violation shall continue for thirty (30) days after notice in writing from the Association, or shall occur repeatedly during any thirty (30) day period after written notice or request to cure such violation, then the Association shall have the power, by action of a Majority of its Members to issue to the defaulting Owner a ten (10) day notice in writing to terminate the rights of the said defaulting Owner to continue as an Owner and to continue to occupy, use or control its Unit, and thereupon an action in equity may be filed by the Association against the defaulting Owner for a decree of mandatory injunction against the Owner or the Unit's occupant, or in the alternative, a decree declaring the termination of the defaulting Owner's rights to occupy, use or control the Unit owned by him or her on account of the breach of covenant, and ordering that all the rights, title and interests of the Owner in the Unit shall be sold (subject to the lien of any existing Mortgage) at a judicial sale upon such notice and terms as the court shall establish, except the court shall enjoin and restrain the defaulting Owner from reacquiring its interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees and all other expenses of the proceeding, and all such expenses shall be assessed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder and any liens or Mortgages, may be paid to the Owner. Upon the confirmation of such sale, the purchaser shall be entitled to a deed and immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit subject to this Declaration and that the purchaser shall immediately be a Member of the Association in the place and stead of the defaulting Owner.

Additional restrictions, rules and regulations regarding conduct and use of the premises are as follows:

1. Owner shall be responsible for the timely removal of newspapers or materials delivered to his unit address from the Common Element areas. If Owner will be away from the Building for three or more days, Owner shall be required to halt

delivery of all newspapers during such absence or make other arrangements for such papers or materials to be removed.

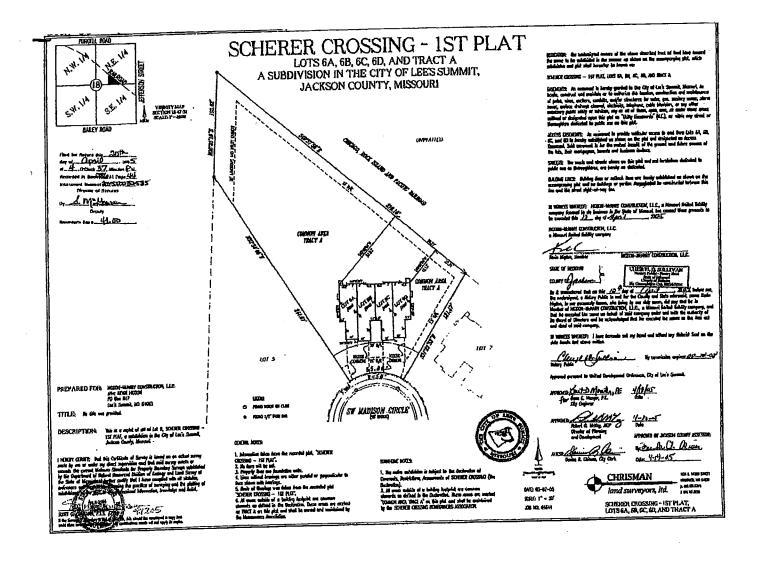
- 2. Parking shall be permitted only in designated and/or assigned parking spaces. No items other than motor vehicles shall be stored in the garage or in the vicinity of the garage with the prior written approval of the Board.
- 3. NO SMOKING OF CIGARETTES, CIGARS, PIPES OR ANY OTHER SUBSTANCES whatsoever shall be allowed anywhere and at any time by an Owner or any Owner Party anywhere in the Common Elements, with the exception of those areas which are outside of the building structures.
- 4. Each Owner shall, at its sole cost and expense, maintain a working backup battery in any and all smoke detector(s) and in any and all carbon monoxide detector(s) installed in its Unit.
- 5. Gas grills shall be permitted on patios only when used safely and in compliance with all applicable municipal regulations. No open fire grills are permitted.
- C. Additions or Changes to Rules and Regulations. Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations that may be promulgated and changed by the Board. After reasonable notice to each Owner, the Board may establish additional Rules and Regulations governing and further restricting the use of the Units and Common Elements in any manner not inconsistent with the provisions of the Declaration. The Board or any Owner shall have the right to enforce such Rules and Regulations by any proceeding at law or in equity. Copies of the Rules and Regulations shall be furnished by the Board to each Owner. Changes to the Rules and Regulations shall be posted conspicuously prior to the time when the same shall become effective and copies thereof shall be furnished to each Owner upon request.
- p. Right of Access. By acceptance of the deed of conveyance, each Owner thereby grants a right of access to its Unit to the Board, the managing agent, and any other person authorized by the Board or the managing agent for the purpose of exercising and discharging of their respective powers and responsibilities, including without limitation:
 - making inspections;
 - 2. correcting any condition originating in such Unit or in the Common Elements which threatens or endangers another Unit or the Common Elements;
 - 3. performing installations, alterations or repairs to the mechanical or electrical systems in such Unit or elsewhere on the Property; or
 - correcting any condition that violates any Mortgage;

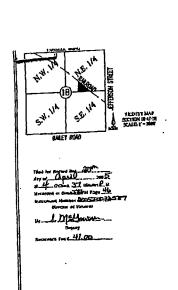
provided, however, that requests for entry shall be made in advance and that any such entry shall be scheduled at a time reasonably convenient to the Owner or its tenant, except in an emergency. In case of an emergency, such right of entry shall be immediate, whether or not the Owner or its tenant is present.

E. <u>Interpretation and Enforcement</u>. The Board may delegate to an Architectural Control Committee the power and authority to review requests, investigate complaints, or study problems of any kind relating to the physical condition of the Condominium or the Restrictions in Sections A and B of these Rules and Regulations, and the authority to make pertinent decisions or recommendations. In so doing, the Architectural Control Committee and the Board shall be the final arbiters and interpreters of the Restrictions in the Declaration and these Rules and Regulations, which shall be enforced as provided in the Bylaws and the Declaration.

F. Miscellaneous.

- 1. The use of the masculine gender in these Rules and Regulations shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.
- 2. These Rules and Regulations and the Condominium instruments are intended to comply with all of the applicable provisions of the Condominium Law and shall be so interpreted and applied.

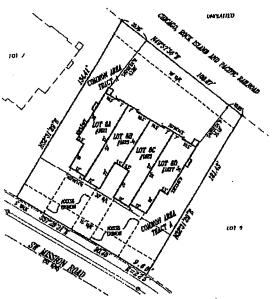




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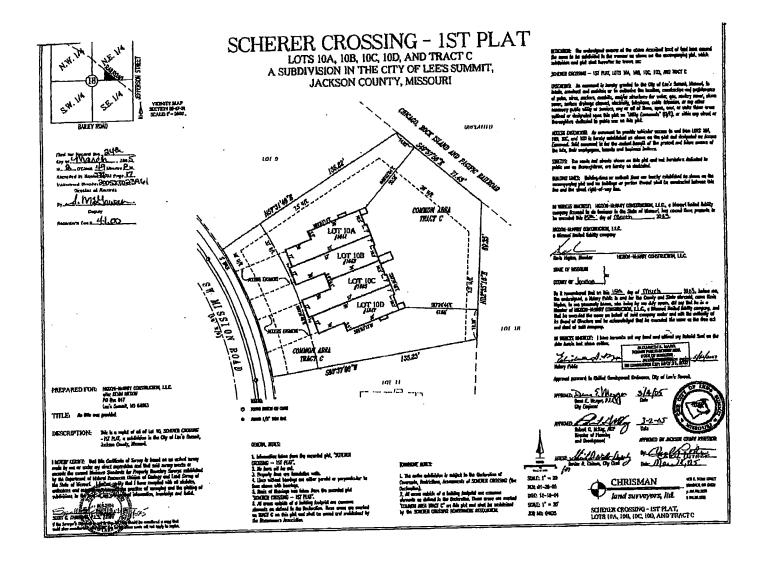
SCHERER CROSSING - 1ST PLAT LOTS 8A, 8B, 8C, 8D, AND TRACT A A SUBDIVISION IN THE CITY OF LEES SUMMIT, JACKSON COUNTY, MISSOURI.

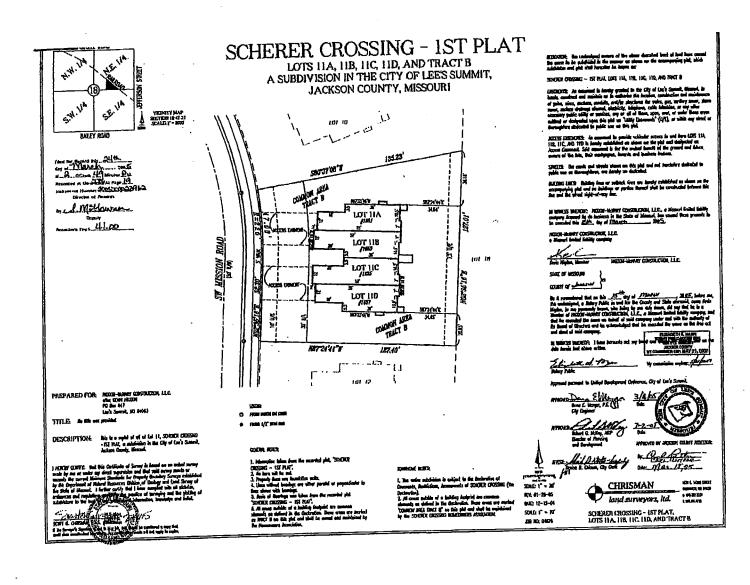


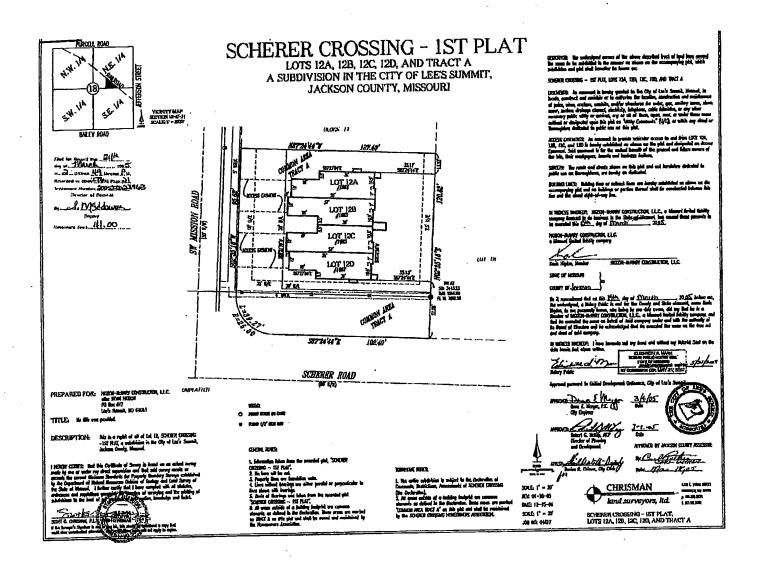
1906) (* 22-0) 1906) (* 2-22-0)

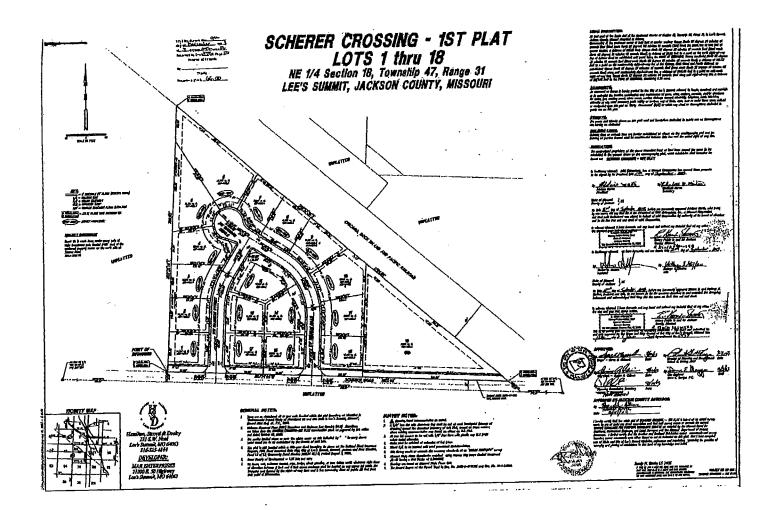
land surveyors, ltd.

SCHERER CROSSING - IST RLAT. LOTS BA. BB. BC, BB. AND TRACT A









RECORDER'S CERTIFICATION JACKSON COUNTY, MISSOURI 07/28/2005 10:51:56 AM





200510064332

ROBERT T. KELLY, DIRECTOR OF RECORDS

(Above Space Reserved for Recorder of Deeds)

THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM SCHERER CROSSING TOWNHOMES, a Condominium

TO ADD PROPERTY

City of Lee's Summit, Jackson County, Missouri
July 26, 2005

Requester Name:

Elizabeth A. Marr, Esq.

Requester Address:

5421 N.E. Northgate Crossing, Lee's Summit, MO 64064

Grantor Name:

Higdon/McNary Construction, LLC

Grantee Name:

Scherer Crossing Townhomes, A Condominium

Grantee Address:

c/o Elizabeth A. Marr, Esq. 5421 NE Northgate Crossing

Lee's Summit, MO 64064

Reference Document/Legal Description:

INSTRUMENT # 2005 I 006 4331

Scherer Crossing – I^{st} Plat – Lots 7A, 7B, 7C, 7D and Common Area Tract A", a replat of all of Lot 7, Scherer Crossing – I^{st} Plat, a subdivision in the City of Lee's Summit, Jackson County, Missouri.

With encumbrances and easements of record and all amendments thereto, incorporated herein by reference.

THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM

SCHERER CROSSING TOWNHOMES

THIS THIRD AMENDMENT TO THE DECLARATION OF CONDOMINIUM FOR SCHERER CROSSING TOWNHOMES, a Condominium, is made as of this 26th day of July, 2005, pursuant to Sections 448.1-101 to 448.4-120, inclusive, Revised Statutes of Missouri and amendments thereto (the "Act"), commonly known as the Uniform Condominium Act of the State of Missouri by Higdon/McNary Construction, LLC (the "Declarant").

RECITALS:

- A. The Declarant created the Declaration of Condominium Scherer Crossing Townhomes, on or about March 23, 2005, and filed same in the Office of the Jackson County. Missouri Recorder of Deeds on March 24, 2005 as Instrument #200510023964, which condominium is planned to eventually contain 68 units, also referred to as lots on the plats.
- B. The Declarant has previously filed plats to include property in the condominium as follows:

On March 24, 2005, the following were recorded:

Instrument #2005I0023961 - "Scherer Crossing - 1st Plat - Lots 10A, 10B, 10C, 10 D and Common Area Tract C" and

Instrument #2005I0023962 - "Scherer Crossing - 1st Plat - Lots 11A, 11B, 11C, 11D and Common Area Tract B" and

Instrument #2005I0023963 - "Scherer Crossing - 1st Plat - Lots 12A, 12B, 12C, 12D and Common Area Tract A"

On April 20, 2005, the following were recorded:

Instrument #200510032585 - "Scherer Crossing - 1st Plat - Lots 6A, 6B, 6C, 6D and Common Area Tract A"

Instrument #2005I0032587 - "Scherer Crossing - 1st Plat - Lots 8A, 8B, 8C, 8D and Common Area Tract A"

C. The Declarant desires to add real estate to the condominium and has filed concurrently with this THIRD Amendment to the Declaration, certain plats of Condominium of the Property on or about this date, in the office of the Recorder of Deeds of Jackson County, Missouri with instrument numbers as follows:

INSTRUMENT # 2005 I 006 4331

"Scherer Crossing - 1st Plat - Lots 7A, 7B, 7C,7D and Common Area Tract A"

D. There have been two previous amendments to the Declaration, recorded as:

Instrument #200510032586, April 20, 2005 - First Amendment to Declaration of Condominium Scherer Crossing Townhomes to Add Property and

Instrument #2005I0032588, April 20, 2005 – Second Amendment to Declaration of Condominium Scherer Crossing Townhomes to Add Property.

- E. The Declarant is the fee simple owner of the Property, the Buildings and all improvements and appurtenances thereto.
- F. The Declarant has rights pursuant to the Declaration and Article XII thereof to add real estate to the condominium as identified above without a vote of the Members.
- G. __. The Declarant desires to amend the Declaration with regard to certain provisions and to accomplish the addition of the platted property identified in C. above.

NOW THEREFORE, in consideration of the foregoing recitals, the Declarant hereby takes the following actions:

The Additional Real Estate is added to the Property and shall hereafter be subject to the Declaration as amended by this Amendment.

The definition of Plat at Section 1.27 of the Declaration is amended and shall now read: "Section 1.27. "Plat" shall mean those certain plats of condominium for Scherer Crossing Townhomes, a Condominium, filed in the office of the Recorder of Deeds of Jackson County identified as follows:

Instrument #2005I0032585 - "Scherer Crossing – 1st Plat – Lots 6A, 6B, 6C, 6D and Common Area Tract A" and

Instrument #2005T0004331 - "Scherer Crossing – 1st Plat – Lots 7A, 7B, 7C,7D and Common Area Tract A" and

Instrument #2005 I0032587 - "Scherer Crossing - 1st Plat - Lots 8A, 8B, 8C, 8D and Common Area Tract A" and ...

Instrument #2005I0023961 - "Scherer Crossing - Ist Plat - Lots 10A, 10B, 10C, 10 D and Common Area Tract C" and

Instrument #200510023962 - "Scherer Crossing - 1st Plat - Lots 11A, 11B, 11C, 11D and Common Area Tract B" and

Instrument #200510023963 - "Scherer Crossing - 1st Plat - Lots 12A, 12B, 12C, 12D and Common Area Tract A"

The definition of Property at Section 1.28 of the Declaration is amended and shall now read: "Section 1.28. "Property" shall mean that certain real estate legally described as Lots 6A, 6B,

6C, 6D,7A, 7B, 7C, 7D, 8A, 8B, 8C, 8D, 10A, 10B, 10C, 10D, 11A, 11B, 11C, 11D, 12A, 12B, 12C, 12D, and Common Area Tracts A(6), A(7), A(8), A(12), B(11), and C(10), according to the recorded plats thereof, which are replats of all of Lots 6, 7, 8, 10, 11, and 12, Scherer Crossing - 1st Plat, a subdivision in the City of Lee's Summit, Jackson County, Missouri, and incorporated herein by reference, located in Jackson County, Missouri, together with any other areas subsequently added as provided herein.

"Exhibit A to Declaration - Property Description" of the Declaration shall be replaced with the "Exhibit A to Declaration Property Description" attached hereto and incorporated herein by reference.

All other provisions of the Declaration not inconsistent with this Amendment shall remain in full force and are hereby ratified.

IN WITNESS WHEREOF, the undersigned has set forth his hands this 27 day of July, 2005.

DECLARANT

HIGDON/MCNARY CONSTRUCTION, LLC,

A Missouri limited liability company

Printed name: Kevin Higdon

Title: Managing Member

STATE OF State) ss.

COUNTY OF Section) ss.

On this 27 day of State, personally appeared to the undersigned, a Notary public in and for said State, personally appeared to the the interpretation of the said state. personally known, who, being by me duly sworn did say that he is a managing member of HIGDON/MCNARY CONSTRUCTION, LLC, a Missouri limited liability company, and acknowledged the foregoing instrument to be the free act and deed of said limited liability company, and acknowledged to me that he executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said State, the day and year last above written.

ELIZABETH A, MARR (SHOTARY PUBLIC-NOTARY SEAL STATE OF MISSOURI

Edziluse d. man Printed Name: Elizabeth A. Marc

Notary Public in and for said County & State

EXHIBIT A TO DECLARATION

Property Description

Lots 6A, 6B, 6C, 6D, 7A, 7B, 7C, 7D, 8A, 8B, 8C, 8D, 10A, 10B, 10C, 10D, 11A, 11B, 11C, 11D, 12A, 12B, 12C, 12D, and Common Area Tracts A(6), A(7), A(8), A(12), B(11), and C(10), according to the recorded plats thereof, which are replats of all of Lots 6, 7, 8, 10, 11, and 12, Scherer Crossing – Ist Plat, a subdivision in the City of Lee's Summit, Jackson County, Missouri, and incorporated herein by reference, located in Jackson County, Missouri, together with any other areas subsequently added as provided herein, and subject to easements, Declaration of Condominium, encumbrances and other restrictions of record.

Plat identification:

Instrument #200510032585 - "Scherer Crossing - Ist Plat - Lots 6A, 6B, 6C, 6D and Common Area Tract A" and

Instrument # 2005 I 00 64331 - "Scherer Crossing - 1st Plat - Lots 7A, 7B, 7C,7D and Common Area Tract A" and

Instrument #2005I0032587 - "Scherer Crossing - 1st Plat - Lots 8A, 8B, 8C, 8D and Common Area Tract A" and

Instrument #2005I0023961 - "Scherer Crossing - Ist Plat - Lots 10A, 10B, 10C, 10 D and Common Area Tract C" and

Instrument #200510023962 - "Scherer Crossing – 1st Plat – Lots 11A, 11B, 11C, 11D and Common Area Tract B" and

*Instrument #200510023963 - "Scherer Crossing – Ist Plat – Lots 12A, 12B, 12C, 12D and Common Area Tract A"

