

**BY-LAWS
OF
LEGACY WOOD PROPERTY OWNERS ASSOCIATION, INC.
A NOT-FOR-PROFIT CORPORATION**

**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 Legacy 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. N00873120 filed with and issued by the Missouri Secretary of State on February 8, 2008, which purposes, as recited in that Declaration of Restrictions (hereinafter the Declaration) recorded February 1, 2008 as Document No. 2008 beginning at Page 1169 of Book E00 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 Legacy Wood Subdivision (hereinafter the Subdivision), an addition of land in Lee's Summit, Jackson County, Missouri, according to the recorded plat thereof.

Section 1.2 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 President 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) Association. The term Association shall mean and refer to the Legacy Wood Property Owners Association, Inc., a Missouri Not-For-Profit Corporation its successors and assigns.
- (b) 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.
- (c) 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:
 - (l) 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 Legacy 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.
- (d) Developer. The term Developer shall mean Wood Family Development, Inc., a Missouri Corporation and its predecessor and its successors and assigns.
- (e) Declarations. The term Declarations shall mean the Declaration of Restrictions covering the property within the District and recorded in Jackson County, Missouri, relating to the Association, these By-Laws and any amendments thereto.
- (f) District. The term District shall mean all of the real estate described in Legacy 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.
- (g) Mortgage. The term Mortgage shall mean a conventional mortgage or Deed of Trust.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.

- (n) 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 III 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.

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 delegate 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 any 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 Boards of Directors shall not be less than five (5) nor more than fifteen (15), nor any even number.

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. Thereafter, at each successive annual meeting of the membership, vacancies on the Board of Directors shall be filled by annual election for two (2) year terms. Directors shall be elected to serve for a term of two (2) 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 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 were adopted.

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 five (5) 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. The Directors shall be elected for two (2) year terms at the annual meeting of the Lot Owners. Election to the Board of Directors may be by show of hand 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 February 2, 2008, with the Jackson County Recorder of Deeds as Document #2008, E00, 11669, 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 contracts and incur liabilities which may be appropriate to enable it to accomplish any or all 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;
- (d) Lend money for its corporate purposes; and to take and hold real and personal property as security for the payments of funds so loaned;
- (e) Sell, convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets; and
- (f) Handle and exercise all powers necessary or convenient to affect any or all the purposes for which the corporation is organized.
- (g) 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 February 2, 2008, 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.
- (h) Maintain, plant, care for, spray, trim, protect and replant trees, grass, shrubs and other landscaping in the Common Areas.
- (i) 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.
- (j) Provide for all general items of use, maintenance and repair on or over the Common Area.
- (k) Obtain fire insurance covering up to the full insurable replacement value of the Common Area with extended coverage.
- (l) 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.

- (m) 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.
- (n) 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.
- (o) 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 its real or personal property as security for debts incurred or money borrowed.
- (p) 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 X of the Declaration of Restrictions of Legacy Wood and Declaration of Legacy Wood Property Owners Association, the Board shall appoint an Architectural Review Committee consisting 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 mailing a copy of such notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, 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 the 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. If 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(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 cast 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 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 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.

Section 12.3 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 12.4 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 all 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 duties of the Treasurer shall be to oversee, monitor, and interface with the fiduciary Accountant Spilker, McKeone & Nelson PC (SMN) who has been contracted by the Legacy Wood Homes Association to perform accounting duties for the Association. All monies of the Association are received by SMN and deposited in a mutually agreeable Bank under the Associations' account. SMN provides quarterly statements of all funds received and paid out. The Treasurer shall prepare a financial report to supplement the reports prepared by SMN This report shall be periodically distributed to the Board and presented to the Members at the annual meeting.

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 or 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 **February 2, 2008**, the date of the Associations' incorporation, and through December 31, 2008, the monthly assessment shall be Thirty-Three and 34/100 Dollars (\$33.34) per Lot per month for each month through and including December, 2008, except for 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 the date of incorporation, and December 31, 2008, the monthly assessment shall become immediately due as well.
- (c) Excluding the Developer and Builders as set forth above, beginning January 1, 2009, 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, 2009, 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 April 1st, to be effective July 1st, by the Board of Directors, without a vote of the membership, by an amount not to exceed ten percent (10%) of the previous years 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 (2) of the quorum at the preceding meeting. No such subsequent meeting shall 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 non-use 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 willful 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. Invalidity. 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 the Directors of LEGACY WOOD PROPERTY OWNERS ASSOCIATION, INC., have hereunto set our hands and seals this ____ day of _____, 2008.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Legacy 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 ____ day of _____, 2008.

IN WITNESS, WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this ____ day of _____, 2008.

Secretary

CORPORATE SEAL

Appendix A

Applicable excerpts from the Legacy Wood Declaration of Restrictions

**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION WHEN
IT IS INCORPORATED**

Section 1. Qualification for Membership. Every Owner of a Lot which is subject to this Declaration shall be a member of the Association after it is incorporated. The foregoing is not intended to include persons or entities who hold an interest merely as security for performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to this Declaration. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Classes of Voting Membership.

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B Members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the 1st day of the first month following the month when declarant no longer owns any lots.

Section 3. Annual Meetings and Special Meetings of the Members. Quorum and Notice Requirements.

(a) Annual Meetings of the Members of the Association shall be held at such place within Jackson County, as may be designated in writing by the Declarant or its successors, on the fourth Wednesday in the month beginning the first month following the month *in* which the Property Owners Association is incorporated, and each year thereafter at 7:00 o'clock p.m., provided that, if such day shall fall on a national holiday, then the next weekday thereafter. Written notice of such meeting or statement of business to be transacted shall be required, and there shall be a quorum requirement in respect to an Annual Meeting as stated in the By-Laws.

(b) Special Meetings of the Members of the Association may be called by the President of the Association, the Association's Board of Directors or upon written request to the Association's Secretary by Members being entitled to cast one-fourth (1/4) of the membership's votes. Written or printed notice of a special meeting shall be delivered not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting either by mail or personally. Such notice shall state the date and time of the meeting, its location and the business to be transacted.

(c) Quorum requirements at any special meeting shall be prescribed in the Association's By-Laws.

(d) At any meeting Members may vote either in person or by proxy provided that such proxy shall be filed with the Secretary of Association, according to the procedures for proxies as set out in the By-Laws.

ARTICLE VII

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member and every tenant of every Member, in good standing, shall have a right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot and Tract; PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

Section 2. Title to the Common Properties. The Declarant may at any time dedicate and/or convey the fee simple title to the Common Properties to the Association, subject to the terms and provisions of this Declaration, but no later than the 1st day of the first month following the month in which the declarant no longer owns any lots.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Board of Directors to prescribe regulations governing the use, operation and maintenance of the Common Properties (including limiting the number of Members, Tenants and Guests).
- (b) The right of the Board of Directors, as provided in the By-Laws, to suspend the voting rights of any Member and to suspend the right of an individual to use any of the Common Properties except private open space deemed appropriate by the Board of Directors for any period, which any assessment against a Lot or Tract owned by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations.
- (c) The right of the Board of Directors or the Declarant to dedicate or transfer for the common benefit of the District and/or Association, any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as may be agreed on by the Board of Directors or upon such conditions and for such purposes as may be deemed appropriate by the Declarant.

ARTICLE VIII

COVENANTS OF MAINTENANCE ASSESSMENTS

Section I. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot and/or Tract owned within the Property, hereby covenants, and each owner, exclusive of undeveloped

tracts owned by the Declarant, of any Lot or Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association, after it is incorporated: (1) annual assessments or charges, and (2) special assessments for capital improvements. Such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of 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 the person who was the Owner of such property, at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Basis and Maximum of Annual Assessments. When the Association is incorporated, the initial assessment shall be Four Hundred Dollars (\$400.00) per year per Lot.

(a) the maximum annual assessment may be increased for the years commencing after the 1st year following the incorporation of the association, by ten percent (10%) above the maximum assessment for the previous year, without a vote of the membership. The maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members, who are voting in person or by proxy, at a meeting duly called for this purpose.

(b) the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any 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 or reconstruction, unexpected repair or replacement of a described capital improvement to the Common Properties, including the necessary fixtures and personal property related thereto and for improvements and repairs necessary for storm water detention facilities, if any, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members, who are voting in person or by 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.

Section 4. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. Collection may be on a quarterly, semi-annual or annual basis.

Section 5. Quorum for any Action Authorized under Sections 2 and 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 2 or 3 shall be sent to all 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 members or of proxies entitled to cast sixty percent (60%) of all the votes of such class of membership shall constitute a quorum. If the required quorum is not present, additional meetings may be called subject to the same notice requirement, and the

required quorum, at the subsequent meeting(s) 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 6. Duties of the Board of Directors Regarding Assessments and Due Dates. No Personal Liability and Exceptions.

(a) The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the recording of a plat or survey identifying such Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(b) The Board of Directors shall fix the amount of the annual assessment against each Lot or Tract at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

(c) The omission of the Board of Directors, before the expiration of any annual assessment period, to fix the amount of the annual assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any Class A Member from the obligation to pay the annual assessment, or any installment thereof, for that or any subsequent annual assessment period, but the annual assessment fixed for the preceding period shall continue until a new annual assessment is fixed.

(d) **The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot or Tract have been paid. A reasonable charge may be made by the Board of the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.**

(e) no member of the Board or any Committee of the Association, or any officer of the Association or Declarant, or the Manager, if any, shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Manager, if any, or any other representative or employee of the Association, the Declarant, or the Architectural Control Committee, or any other Association Committee, or any officer of the Association, or partner of the Declarant, provided that such person has, upon the basis of such information as then may be possessed by him, acted in good faith without willful or intentional misconduct.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent and become a lien upon the real property. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency, at the rate of one percent (1%) per month, applied to the full amount of the delinquency including prior interest, and the Association may bring an action of law against the Owner personally obligated to pay the same, or foreclose the said lien against the property; and interest, collection

costs and reasonable attorneys' fees for any such action shall be added to the amount of the assessment. A minimum fee of One Hundred Dollars (\$100.00) shall be levied by the Association, if a lien is filed. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot or Tract. The Board of Directors may post, publish, and/or mail a list of delinquent members, setting forth name, address, and amount of delinquency; and shall not be required to provide any advance notice of such action.

Section 8. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot or Parcel shall not affect the assessment lien. However, the sale or transfer of any Lot or Tract pursuant to first mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or Tract from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Wholly and Partially Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

- (a) all properties dedicated to and accepted by a local public authority; and
- (b) the Common Properties; and
- (c) all Lots and Tracts owned by the Declarant.

However, no land or improvements once devoted to dwelling use shall be exempt from assessment.

A R T I C L E IX

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Powers of the Association. Every Owner shall have a right of easement of enjoyment in and to the Common Properties which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to prescribe regulations governing their use, operation and maintenance, and to charge reasonable admission, if any, and other fees for the use of any recreational facility situated upon the Common Properties;
- (b) the right of the Association to suspend the voting rights and right to use of recreational facilities, if any, except use and enjoyment of private open space by an Owner for any period during which any assessment against his Lot or Tract remains unpaid; and for a period not to exceed ninety (90) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded;

(d) the right of the Association to limit the number of guests of Members who would use the recreational facilities, if any;

(e) the right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving or repairing the Common Properties and in aid thereof to mortgage said property, and the right of such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder;

(f) the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and/or easements for access or for the construction, reconstruction, maintenance and/or repair of any utility lines or appurtenances, whether public or private, of any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights-of-way and/or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Properties;

(g) the rights of the Owners of the Dwelling Units to perpetual easements over and upon any of the Common Properties for such portions of their Dwelling Units that may overhang or otherwise encroach upon any of the Common Properties for support, for the purpose of necessary repairs and maintenance, for the maintenance of reasonable appurtenances to their Dwelling Units, and for reasonable pedestrian and temporary ingress and egress to and from any Dwelling Unit through and over the Common Properties.

Section 2. Delegation of Right of Use. Any Owner may delegate his rights to the use and enjoyment of the Common Properties to the members of his family who reside with him and/or his guests, all subject to such reasonable rules and regulations, which the Declarant or the Association may adopt and uniformly apply and enforce.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, after it is incorporated or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or

other Declaration. In the event violation of a covenant, condition or restriction, failure to pay assessments or violation of a published rule results in litigation, the owner or party violating the covenant, condition or restriction shall pay the Association's reasonable attorney fees, court costs and other reasonable expenses of litigation. Failure by the Association or by any Owner to enforce any covenants, or restrictions, or conditions herein contained, shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Limitation of Liability. The Declarant and the Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the annual assessment funds or for injury or damage to person or property caused by the elements or resulting from water

which may leak or flow from any portion of the Common Properties and from recreational and other common facilities, or from any wire, pipe, drain, conduit or the like. The Declarant and the Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored or left upon the Common Properties and all recreational and other common facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Properties and recreational and other common facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order of directive of any municipal or other government authority.

Section 3. Articles of Incorporation and By-Laws. Except as specifically set forth in this Declaration, all provisions applicable to notice, voting and quorum requirements for all actions to be taken by the Association shall be set forth in its Articles of Incorporation and By-Laws, or either, as may be required or permitted by the applicable provisions of Missouri Law. In any event, if any provisions set forth in the Declaration applicable to notice, voting and quorum requirements are in conflict with any provisions of Missouri law applicable to non-profit corporations on the date of this Declaration, or at any time after said date, the applicable provisions of Missouri law shall control.

Section 4. Personal Liability. No member of the Board of Directors or Architectural Review Board or any Committee of the Association, or any officer of the Association, or Declarant, or the Manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board of Directors, the Manager, if any, or any other representative or employee of the Association, the Declarant, or the Architectural Review Board, or any other Committee, or any officer of the Association or partner of the Declarant, provided that such person has, upon the basis of such information, as then may be possessed by him, acted in good faith without willful or intentional misconduct. Directors and Officers liability insurance in the minimum amount of Five Hundred Thousand Dollars (\$500,000.00) for one occurrence, or One Million Dollars (\$1,000,000.00) for more than one occurrence, commonly referred to as Five Hundred Thousand Dollars (\$500,000.00) and One Million Dollars (\$1,000,000.00) insurance coverage, for the protection of Board Members, Declarant, Manager and Architectural Review Board shall be furnished and paid for by this Association, if such insurance can be obtained at premiums, deemed reasonable by the Board of Directors of the Association or the Declarant.

