

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

**ARTICLE I
PREMISES FOR ADOPTION OF BY-LAWS,
OFFICES AND SEAL**

Section 1.1. Premises for Adoption of By-laws. These By-Laws 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 169 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) Assessments. The term Assessments shall mean and refer to amounts due from Lot Owners to the Association of which are generally categorized as Annual Assessments, Capital Assessments, and Special Assessments with each term more specifically defined as follows:
 - (1) Annual Assessment. The term Annual Assessment shall mean and refer to the assessment against each Lot within the District which is determined each year by the Directors of the Association.

- (2) Capital Assessment. The term Capital Assessment shall mean any assessment as approved by the Association's Directors for and in respect to an improvement, amenity, renovation or repair having a reasonably expected useful life in excess of five (5) years.
 - (3) Special Assessment. The term Special Assessment shall mean the assessment against each Lot within the District which is passed and/or approved by the Directors and arises out of the action or absence of action by and in respect to the Owner of that particular Lot.
- (b) Association. The term Association shall mean and refer to the Legacy Wood Property Owners Association, Inc., a Missouri Not-For-Profit Corporation, and its successors and assigns.
- (c) Board. The term Board shall be deemed to mean the Association's Board of Directors, and except where context prohibits, shall also be deemed to mean the Board's designees.
- (d) Common Area. The term Common Area shall mean and refer to those areas of land designated as Common Areas on any recorded subdivision plat or survey or resurvey of the District and intended to be devoted to the Common use and enjoyment of the members of the Association, or subject to the control thereof, together with an and all improves that are now or may hereafter be constructed thereon.
- (e) Common Expenses. The term Common Expenses shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves, including but not limited to:
 - (1) All sums lawfully assessed against the Common Area by the Developer;
 - (2) All expenses of administration and management, maintenance, repair and replacement of the Common Areas or Buildings within the District as deemed appropriate, in the reasonable discretion of the Board of Directors to maintain, preserve or enhance the value of 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, and any amendments thereto.
- (f) 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.
- (g) Developer. The term Developer shall mean Wood Family Development, Inc., a

Missouri Corporation, and its predecessor, successors and assigns.

- (h) Director or Officer. The terms Director and Officer shall mean the Directors and Officers of the Association as duly elected or appointed according to the terms of the By-Laws and Articles of Incorporation, and any amendments thereto, and shall also mean their designees except where context prohibits.
- (i) District. The term District shall mean all of the real estate described in Legacy Wood Subdivision, as may be extended, and any 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.
- (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) Mortgage and First Mortgage. The term Mortgage shall mean a conventional mortgage or Deed of Trust. 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.
- (m) 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 (3) members of the Association with one (1) member being a member of the Board of Directors.
- (n) Property. The term Property shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, and these By-Laws, as hereinafter provided.
- (o) 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.

- (p) 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.

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 Board of Directors shall consist of not be less than five (5) nor more than fifteen (15) members, nor any even number. The number of Directors maybe increased by a two thirds (2/3) majority vote of the Board of Directors.

Section 6.2 Election. The Directors shall be elected by the Class A and Class B Members according to the classes of voting memberships in the Association as provided in Article IV of these By-Laws. 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 or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her 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 (10) 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. All reimbursements must be approved by the Board President or the Treasurer.

However, at the Annual Meeting on February 15, 2015, of the Association, it was voted on and passed that the dues for the Board of Directors shall be waived. Said Directors shall have served one (1) full year for this such waiver to become effective. Directors are still required to pay for trash services.

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. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors shall designate. Notice of regular meetings shall be sent out to all Board Members a minimum of ten (10) days prior to the date so designated.

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-five percent (25%) 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, 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 applicable 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 Workers' 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 Declarations and these By-Laws, and any amendments thereto.
- (q) Enter into such agreements with contractors, vendors and service providers as they may relate to the cost of landscaping, gardening, painting, cleaning, maintaining, repairing, and replacing the Common Areas, including the pool. Any amount in excess of Five Thousand Dollars (\$5,000.00) shall be awarded only when the following conditions are met:
 - (1) Two (2) or more bidders are advised of the desired acquisition or work by a written request for bid;
 - (2) Each bidder is instructed to reply with a written bid, or other Board-approved conveyance, by a specified "due" date;
 - (3) At least two (2) bids must be received; and
 - (4) The bids are opened, with the receipt acknowledged in writing together with the date thereof, in the presence of two (2) individuals.
- Any change in the bid request or proposed acquisition or work is to be submitted in writing to each bidder and processed in the same manner as described above.
- (r) Any contractor, prior to the commencement of any work, shall be required to submit written proof of insurance with Legacy Wood Property Owners Association, Inc. named as an additional insured party, to be maintained at all times during the work, providing liability coverage for personal injuries and property damage, which may arise from the work or contractor's operations, in sums not less than One Million Dollars (\$1,000,000.00). Contractors shall also be required to furnish written proof of workers' compensation coverage as may be required of an employer pursuant to the Missouri Workers' Compensation Act, as amended, from time to time.
- (s) The Board should consider re-bidding any contracts greater than Four Thousand Dollars (\$4,000.00) every three (3) years.

ARTICLE X COMMITTEES

Section 10.1 The Board of Directors may 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 twenty-five percent (25%) 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 mailing, or by electronic communication, a copy of such notice not less than fifteen (15) nor more than sixty (60) days before the meeting, addressed to each Lot Owner at their most recent address or e-mail 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

Section 11.6 Proxies- Multiple Owners. If only one of the multiple Owners of a Lot is present at a meeting of the Lot Owners, that person is entitled to 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 By-Laws, 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 the 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 Association's fiduciary Accountant. The Accountant shall perform accounting duties for the Association. All monies of the Association are received by the Accountant and deposited in a bank account in the Association's name. The Accountant shall provide quarterly statements of all funds received and paid out. The Treasurer shall prepare a financial report to supplement the reports prepared by the Accountant. 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 Lot 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 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 trash service for all Lot Owners; 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; 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.

The annual assessment may be increased by the Board of Directors, without a vote of the membership, by an amount not to exceed ten percent (10%) of the previous year's assessment. The annual 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, who are voting in person or by written proxy, at a meeting duly called for this purpose.

- (b) Capital Assessment for Improvements. In addition to the maximum annual assessments authorized above, the Association may levy in an assessment year a capital 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 thereon, provided that such assessment shall be approved by two-thirds (2/3) majority vote of the 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.
- (c) Special Assessments for Individual Lots. Special Assessments may be imposed by the Board of Directors upon any Lot or other land for the purpose of maintaining the exterior appearance thereof if the Lot Owner shall have failed or refused to do so, including but not limited to mowing and cleaning of unsightly brush and debris, painting, repairing, replacing and caring for grass, walks, or other exterior improvements necessary to keep the Lot Owner's property from deteriorating or becoming unsightly, removing and storing vehicles, boats, or structures, failing to conform with architectural control guidelines, restrictive covenants filed of record, or the rules and regulations of the Association. Unpaid fines and assessments, club charges, and attorney's fees and costs associated with the civil actions instigated and pursued for the purpose of enforcing covenants, restrictions, rules or regulations, may also be imposed as a Special Assessment against the lot, unit, or other land of a Lot Owner pursuant to the provisions of this sub-paragraph.
- (d) Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments 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.

- (e) Subordination of the Lien to Mortgages. The lien of the assessment 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.
- (f) 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:

- (a) By a vote of two-thirds (2/3) of the Board of Directors at any meeting of the directors duly called for that purpose, providing notice of the meeting and the proposed amendments has been give to the members at least fifteen (26) days prior to the meeting, or;
- (b) At the annual meeting of the members, by a vote of a majority of the votes of the members who are voting.

Section 15.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, or any amendments thereto, the Articles shall control; and in the case of any conflict between the Declarations and these By-Laws, or any amendments thereto, the Declarations 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 By-Laws shall not impair or affect the validity, enforceability or effect of any other parts.

Section 16.5 Fiscal Year. 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.

Section 16.6 Recession of Previous By-Laws. This document, dated February 11, 2018
serves as the full and complete By-Laws of the Legacy Wood Property Owners Association, Inc.
All previous By-Laws are hereby rescinded.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of the Legacy Wood Property Owners Association, Inc., a Missouri not-for-profit corporation.

Sheri L. Songer
Secretary

2/11/18
Date

Sheri L. Songer
Printed Name

I, the undersigned, do hereby certify that I am the duly elected and acting President of the Legacy Wood Property Owners Association, Inc., a Missouri not-for-profit corporation.

Donald J. Knotts
President

2/11/18
Date

Donald J. Knotts
Printed Name

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