

**BEAR CREEK HOLLOW VILLA
OWNERS ASSOCIATION BY-LAWS**

THESE BY-LAWS of the Bear Creek Hollow Villa Owners Association pursuant to the Missouri "Not for Profit Corporation Act," Section 355 RSMo. *et seq.* are entered into on this ___ day of _____, 2000.

**ARTICLE I
NAME AND LOCATION**

The name of the Association is **Bear Creek Hollow Villa Owners Association**, hereinafter referred to as the "Association." The principal office of the Association shall be located upon the "Property" as described in the Declaration of Covenants, Conditions and Restrictions of Bear Creek Hollow Villas as amended ("Declaration") or at such other address as the Board of Managers may designate from time to time.

**ARTICLE II
APPLICABILITY AND DEFINITIONS**

2.1 Applicability of By-Laws. The provisions of these By-Laws are applicable to all of the Property which is the subject of the Declaration. All present and future Unit Owners, Occupants, Residents, and Mortgagees of Lots and their employees, and any other Person(s) who may own a Unit/Lot in any manner, are subject to these By-Laws, the Declaration, and the Rules and Regulations of the Association. The mere acquisition, or occupancy of a Unit shall constitute an agreement that these By-Laws, the Declaration, and the Rules and Regulations, as amended from time to time are accepted, ratified, and will be complied with.

2.2 Definitions. All capitalized terms herein shall have the meaning defined in the Declaration unless otherwise defined herein.

2.3 Declaration and Master Covenants to Govern. In the event of any conflict between the Declaration, the Master and these By-Laws, the terms, definitions and provisions of the Master Covenants, then the Declaration shall be controlling.

**ARTICLE III
BOARD OF MANAGERS**

3.1. Qualification of Board of Managers. A person to be qualified to serve as a Member of the Board of Managers, shall be a Member of the Association by virtue of ownership of a Lot/Unit, in good standing and shall reside in the Unit at the time of election and at all times during the term.

3.2 Number and Election The affairs of the Association shall be governed by a three (3) member Board of Managers ("Board"), who shall each serve for a term of three (3) years.

3.3 Expiration of Terms. No more than two (2) terms shall expire annually assuring continuity in board operations.

3.4 Vacancy. The Board shall appoint a successor to fill the position of any Board Member leaving office during his/her term. The appointed Members of the Board shall serve only to the expiration date of the departing Board Member's term as a Board Member.

3.5 Term Limitation. No Board Member shall serve on the Board for more than six (6) consecutive years.

3.6 Removal. Any Board Member may be removed from the Board, with or without cause, by a vote of the Members of the Association equal to the vote which originally elected said Board Member whose term the appointed Board Member is completing, without respect to any quorum requirements of any meeting of the Members established by any other provisions of these By-Laws. Such a vote shall be held at a meeting scheduled for the purpose of removing said Board Member.

3.7 Compensation. Members of the Board of Managers shall receive no compensation from any source, for any service he/she may render to the Association. However, any Board Member may be reimbursed for his/her authorized expenses incurred in the performance of his/her duties.

3.8 Action Taken Without a Meeting. The Board Members shall have the right to take emergency action in the absence of a Board meeting provided such action is deemed reasonable and necessary.

3.9 Officers of the Board of Managers. The **Officers** of the Board of Managers shall be the **President, Vice President, Secretary, and Treasurer**, all of whom shall be Members of the Board of Managers. The Board may appoint an assistant secretary ("Recording Secretary") and such other assistants as in its judgment may be necessary, however, such other assistants must be eligible Members of the Association, but need not be Board Members.

ARTICLE IV MEETINGS OF THE BOARD OF MANAGERS

4.1 Regular Meetings. Regular meetings of the Board of Managers may be held bi-monthly without notice, at such place and time as may be fixed from time to time by resolution of the Board.

4.2 Special Meetings. Special meetings of the Board of Managers shall be held when called by the President or by any two Board Members, after not less than three (3) days' notice to each Member of the Board.

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

4.4 Procedures for Meetings. Meetings shall be conducted according to Roberts Rules of Order for Small Boards. Meetings may be conducted in a less formal manner when discussing general business ideas and concepts; however all voting, debate and motion procedure shall be conducted formally and duly recorded.

ARTICLE V POWERS AND DUTIES OF THE MANAGERS

5.1 Powers. The Board of Managers shall have the power to:

- a. Adopt and publish Rules and Regulations (as defined herein) governing the use of the Common Elements, and the conduct of the Members and their guest(s) thereon, and to establish penalties or fines for the infraction thereof, such penalties or fines, if monetary in nature, to be collectible in all respects as if such penalties or fines were assessments;
- b. Suspend on Owner's voting privilege and the right to use of the recreation facilities (if any exist) or other Common Elements during any period in which said Owner shall be in default in the payment of any assessment, penalty, or fine levied by the Association. Said right may also be suspended after a notice and hearing, for a period not to exceed sixty (60) days for infraction of published Rules and Regulations;
- c. Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- d. Declare the seat of a Member of the Board of Managers to be vacant in the event such Member shall be absent without just cause from three (3) consecutive regular Board meetings;

- e. Employ a manager, an independent contractor, or such other or such other outside services it deems necessary, and to prescribe their duties and compensations;
- f. Ratify actions of any Board Members taken without a meeting and thereby give full force and effect to such actions as though approved in advance.

5.2 Duties. It shall be the duty of the Board of Managers to:

- a. Levy and collect assessments and manage the funds;
- b. Obtain adequate and appropriate insurance;
- c. Adopt and enforce Rules and Regulations for the purpose of promoting a pleasant, attractive and peaceful community;
- d. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meetings of the Members, or at any Special Meetings when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- e. Establish a budget, as provided in the Declaration projecting the amounts necessary to be expended to carry out its obligations pursuant to these By-Laws and the Declaration.
- f. Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- g. Fix the amount of the annual assessments, as more fully provided in the Declaration;
- h. Issue or cause an appropriate officially designated person or appointed managing agents to issue a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate signed by a managing agent two Members of the Board of Managers states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- i. Procure and maintain adequate liability and hazard insurance on the property owned and/or managed by the Association;

- j. Cause all officers and employees having fiscal responsibilities to be bonded as it may deem necessary;
- k. To maintain and repair all Common Elements. To attend to all landscaping, gardening, snow removal, painting of exteriors, exterior cleaning, exterior tuck pointing, exterior decorating, and providing such furnishings and equipment for the Common Elements as the Board, in its sole discretion shall determine;
- l. Cause an audit of the Association's financial records every three (3) years or more frequently as it deems necessary;
- m. Enforce compliance with the requirements of the Declaration and these By-Laws;
- n. Maintain and repair any Unit if such maintenance or repair is necessary, in the discretion of the Board to protect the Common Elements or any other portion of the building and such Unit has failed or refused to make such repairs. Further, the Board is empowered to collect from such Owner all costs expended in making such repairs;
- o. The Board may engage the service of a management company to carry out any or all of its operational duties.

5.3. Committees. The Board shall establish such committees as are necessary to support efficient operation and to meet the responsibilities of the Association. The standing committees may include but are not limited to:

- a. Standards, Grounds & Beautification and Maintenance
- b. Finance
- c. Nominations and Elections
- d. Recreation/Social

5.4 Committee Authorization Any Committee authorization shall be based on Board action specifying the focus of said committee. Such action shall include the following data:

- a. A job description for the job to be accomplished or managed;
- b. The number of persons which will likely be required for proper function;

- c. The appointment of a chairperson. The committee chairperson need not be a Board member.

5.5 Committee Budgets. All committees authorized by the Board shall function based on a budget presented to and approved by the Board of Managers.

ARTICLE VI OFFICERS AND THEIR DUTIES

6.1 Election of Officers. The election of officers of the Board shall take place at the first Board meeting in the fiscal year following the election of the current Board Members at each annual meeting of the Association.

6.2 Term. The officers of the Board shall be elected annually by the Board Members and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

6.3 Other Officers. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period not to exceed one (1) year, have such authority, and perform such duties as the Board may, from time to time, determine.

6.4 Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.5 Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer replaced.

6.6 Duties. The duties of the Officers are as follows:

- a. President. The President shall be a Board Member and is the chief executive officer of the association. The President shall reside at all meetings of the Board and the annual meeting of the association. The President has the authority to make and execute contracts in the ordinary course of business of the Association, so long as the Board has approved the documents. The President may appoint committees. The President may sign or co-sign with the Treasurer all checks issued by the Board for Association functions. The President shall be responsible for implementing and carrying out all

resolutions duly adopted by the Board. The President shall have the power to delegate all or any part of these duties to the Vice-President or to other officers or other Board Members. The President shall also serve as an ex-officio Member of all committees of the Association (except the nominating committee).

Additional Duties of the President:

- 1) To prepare agendas for meetings of the Board and for meetings of the Association in cooperation with other Board Members, Owners, committee chairpersons, and/or the management company (if any);
 - 2) To be sensitive to and maintain contact with the Owners (as should all Board Members) and advise as to procedure(s) necessary to resolve difficulties;
 - 3) To be responsible for the communication and/or coordination with companies under contractual obligations of the Association.
- b. Vice-President. The Vice-President shall preside at all meetings of the Board and/or meetings of the Association in the event of absence, inability or refusal to act, by the President and shall exercise and discharge such other duties as may be required of him/her 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 of the Association; serve notice of meetings to the Board and to Members of the Association; keep appropriate current records showing the Members of the Association together with their addresses, maintain the official files of the Association (in the case where a management company is contracted to manage the daily affairs of the Association, the Secretary shall insure that accurate and accessible records are maintained), and perform such other duties as may from time to time be required by the Board.
- d. Treasurer. The Treasurer shall have responsibility for Association funds and securities and for the financial records and books of account which shall be the property of the Association. The Treasurer shall be responsible for the receipt and deposit (or cause to be deposited), in appropriate bank accounts all monies and other valuable effects in the name of and to the credit of the Association in

such depository as may from time to time be designated by the Board. The Treasurer shall disburse such funds as directed by resolution of the Board; may sign or co-sign all checks and promissory notes of the Association; keep or cause to be kept, proper books of the accounts; and shall prepare an annual budget to be presented to the Association membership at its annual meeting. The Treasurer may with Board approval, delegate via a formal contract, the daily handling of funds, payment of accounts, and the keeping of records for a management company. The Treasurer shall perform all the duties incident to the office of Treasurer of a corporation organized under the laws of the state of Missouri.

6.7 Nonliability of Individual Board Members and their Agents and Appointees. The individual Board Members, the Developer, their agents and appointees shall not be liable to any Owner(s) for any mistake in judgment or for any other acts or omissions of any nature whatsoever, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence, willful misconduct or fraud. The Association shall indemnify and hold harmless each of these parties against all contractual and other liabilities to others arising out of contracts made by or other acts of such individuals on behalf of the Owners and/or the Association. This indemnification extends to any costs incurred by such individuals including but not limited to attorneys' fees, and amounts of any individuals mentioned herein, regardless of whether such costs and expenses result from civil, criminal, administrative or other action.

6.8 Appointment of Managing Agent. The Board of Managers, in its sole discretion may appoint a managing agent or management company and delegate any or all of its duties to such agent or company; however, the Board must reasonably monitor the activities of any such agent or company.

ARTICLE VII NOMINATION AND ELECTION OF THE BOARD OF MANAGERS

7.1 Nomination. Nomination for election to the Board of Managers shall be made by the nominations committee. In addition, all eligible Members of the Association shall have the right to nominate themselves or be nominated (based on their written agreement to serve, presented to the nominating committee) by any other eligible Member. The nominating committee shall consist of a chairperson, who shall be a member of the Board of Managers and two or more Members of the Association. The nominating committee shall be appointed by the Board of Managers prior to each annual meeting of the Association Members. The nominating committee shall make as many nominations for election to the Board of Managers as it shall in its discretion determine to be appropriate, however such nominating not less than the number of vacancies that are to be filled. All nominations shall be made from among eligible Members of the Association. Notice of the opening for nominations shall be given to all Association Members at least thirty (30) days prior to the

annual meeting. The nomination form shall be delivered no later than September fifteenth (15th) to be included in that year's election process.

7.2 Eligibility to Serve. All Members who are current on their assessments, or other payments, including but not limited to late fees, fines and penalties and who reside on the property, shall be eligible to serve on the Board of Managers. Any Member who demonstrates a lack of responsibility in the operation of the Association by being in arrears on assessments at the time of the nomination or who has a history of being late in excess of four (4) times in the preceding twelve months, on their payment of the monthly assessments shall be ineligible for nomination to the Board of Managers.

7.3 Election Process. The notice and ballot for election of Board Members by Owners shall be delivered in accordance with Article VIII herein. The delivery shall include a ballot and a notice signed by the President of the Board of Managers and be delivered to all eligible Owners at least ten (10) days, but not more than thirty (30) days before the date fixed for the election of Board Members. Said notice shall reach the eligible Owners no later than November first (1st) of each year. The result of the election shall be certified by the then acting President or Secretary of the Board, and their certification shall be acknowledged and recorded. The nominations shall be placed on a written ballot which shall comply with the requirements of Article VIII herein, which will include the following minimum information:

- a. A description of the vacancies to be filled;
- b. The names of those nominated for such vacancies in the order in which they were received by the Board or its designated agent;
- c. The number of responses needed to meet quorum requirements;
- d. The date the ballot must be returned to be valid. In addition to the ballot, the mailing shall include an envelope marked "Ballot" on its face and no other marking, and a mailing envelope with the mailing address for the Board of Managers or its agent preprinted on the face.

The completed ballot shall be returned as follows: the ballot shall be folded and sealed in the envelope marked "Ballot." Each such ballot envelope shall contain only one (1) ballot, and shall be sealed in the mailing envelope pre-addressed to the Board on which the Owner/Voter has entered his/her signature under the return address. The completed ballot shall be returned by U.S. Mail to the principal office of the Association no later than November fifteenth (15th) each year.

Upon receipt of each ballot returned, the Board or its agent shall secure it in a safe place until the day set for the counting of the ballots by an election committee. On that day, the mailing envelopes containing ballots shall be delivered by the Board or its agent, unopened, to the election committee which shall consist of three (3) or more Members appointed by the Board of Managers. This Committee shall:

- a. Establish that the signature on each envelope corresponds to an Owner/Voter on the voting log set up earlier by the Board of Managers;
- b. Mark the voting log to indicate that a Member's vote has been received;
- c. Remove the ballot envelope from the mailing envelope;
- d. Retain in an election file all the envelopes containing the Owners' signatures;
- e. Collect the ballot envelopes unopened for later count; and
- f. At a time set by the Board, the election team Members shall open the ballot envelopes, remove the folded ballots and tabulate the votes;

This procedure shall be conducted in such a manner so that the vote of a Member shall not be disclosed. Immediately before the announcement of the results, the Board shall secure and store the ballots and signature envelopes for ninety (90) days following the election.

ARTICLE VIII MEETING OF OWNERS

8.1 Annual Meeting. A meeting of the Owners shall be held once each year on such date and at such time as the then Board of Managers shall determine, in no event later than October fifteenth (15th) each year. The following will occur at each annual meeting:

- a. The Board of Managers shall discuss the budget for the upcoming year and answer questions of the Owners. Owners' input to the budget shall be solicited via an announcement in the Bear Creek Hollow Villa's Newsletter at least ninety (90) days prior to the date planned for the annual meeting. Any Owner responding to the request for budget input shall present his/her input in written form to the Board for consideration no later than August fifteenth (15th) so that it can be included in the budget deliberations for the next fiscal year;
- b. The nominees for election to the Board of Managers shall be introduced;
- c. Additional nominations for election to the Board of Managers will be entertained;

- d. An election committee from those Owners attending the annual meeting will be appointed. The election committee responsibilities are described in Article VII herein;
- e. Conduct any other business the Board of Managers deems necessary.

8.2. Special Meetings. Special meetings of the Owners may be called at any time subject to the provisions for notice of meetings in this article by the President or by the Board of Managers, or upon written request of one-fourth (1/4) of all the eligible Owners (except in the case of a budget review meeting per the Declaration). Any Owner or group of Owners may petition the Board of Managers in written form requesting a general purpose meeting on a subject of general concern to the Association.

8.3 Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by delivering a copy of such notice at least ten (10) days but not more than thirty (30) days prior to such meeting to each Owner entitled to vote. Said notice shall be in accordance with Article IX herein, and shall be addressed to the Owner's address last appearing on the books of the Association for the purpose of such notice.

8.4 Quorum. The presence at the meeting of Owners entitled to cast one-tenth (1/10th) of the total voting power of all eligible Owners shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws.

8.5. Action Taken Without a Meeting. Any action which may be taken at an annual or special meeting of Members may be taken without a meeting if the Board delivers a written ballot to every eligible Owner pursuant to Section 355.266 RSMo as amended.

ARTICLE IX NOTICE AND BALLOT

9.1 Written notice for any meeting or election shall be delivered to each Owner in accordance with section 355.071 RSMo. Said notice shall include the items set forth in Section 355.251 (3) RSMo.

9.2 The ballot shall conform to the requirements of Section 355.266 RSMo.

ARTICLE X BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, be available on request and be subject to inspection by any Owner. Copies of the Declaration and these By-Laws shall be available for inspection by any owner and copies may be purchased at a reasonable cost.

ARTICLE XI ASSESSMENTS

11.1 Imposition of Assessments. As provided in the Declaration, each Owner is obligated to pay to the Association annual assessments and special assessments which are secured by a continuing lien upon the property of an Owner against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessments, or the due and payable pro-rata portion thereof, is not paid on a timely basis, said Owner shall be subject to the remedies specified in the Declaration. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or by abandonment of his/her Lot/Unit.

11.2 Creation of the Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed for a Lot/Unit, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association annual assessments or charges, and special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, including fines, late fee penalties, interest at the statutory rate, costs and reasonable attorneys' fees, 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 interest at the lower of eighteen percent (18%) per annum or the highest rate allowed by law, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

11.3 Purpose of Assessments. The assessments levied by the Association shall be used for the improvement and maintenance of the Common Elements and the exterior of all buildings, except decks, patios (if applicable), driveways, and Limited Common Elements, items enumerated in the Declaration, for payment of Association taxes, for the cost of all insurance carried by the Association as set out in Article XIII herein, for the utilities serving the Common Elements, for the administration and management costs of the Association, for legal, accounting, and auditing fees of the Association, and to build the reserves of the Association. Funds raised by assessments may also be used generally to promote the recreation, health, safety, and welfare of the Owners other than the Developer.

11.4 Establishment of Assessment.

- a. The Board shall deliver the budget for review by the Association Membership on or about August fifteenth (15th) each year. The budget shall include: 1) those items of expenditures for the maintenance of Common Elements, and any building maintenance required, 2) a total amount necessary to pay the costs of carrying out the association's duties, and 3) a responsible amount to be retained for build-up of a reserve account to prepare for contingencies and/or anticipated maintenance, all in sufficient detail to reasonably inform

the Owners. The delivery of the budget shall include a notice in accordance with Article IX herein.

- b. The Board of Managers shall also set the date for an annual meeting of the Owners to review the budget. This meeting shall take place on or before October 15th.
- c. On or before November 1, the Association Owners may request by petition signed by not less than sixty percent (60%) of the Owners entitled to vote, a general meeting of the Association to reconsider the proposed budget. Upon receipt of such request, the Board of Managers shall schedule such meeting, during November, and shall notify each Owner in writing of the time and place of such meeting and the purpose therefor.

11.5 At the meeting held to reconsider the budget:

- a. Owners constituting one-tenth (1/10th) of the total number of Members eligible to vote present shall constitute a quorum.
- b. The Board shall discuss, and the Owners shall have the opportunity to ask questions relating to items of expenditure in the proposed budget. Thereafter the budget shall be submitted to a vote of the Owners and shall be considered approved by a simple majority of the Owners present and voting thereon.
- c. After the items in the proposed budget have been discussed and voted upon, the Board of Managers shall accept for discussion proposals of additional items of expenditure from the Owners present. These items shall be discussed and voted upon as provided herein.
- d. Each approved change or addition accepted by a majority vote of the Owners present and voting thereon shall be added to and become part of the budget for the next succeeding fiscal year.
- e. On or before December 15th each year, the Board shall determine the final budget by incorporating any budget adjustments deemed appropriate as a result of input from the Owners at the annual meeting, or as determined at a special meeting described herein and then notify each Owner subject to the Assessment, in writing, of the amount of the assessment pursuant to the Declaration, if different from the preceding annual assessment. The required budget assessment fee income shall be divided by the total number of Lots subject to assessment, and the result shall constitute the annual assessment for the next year for each Owner.

- f. Any budgeted facility or Common Element Improvement exceeding five percent (5%) of the total annual assessment income shall be subject to approval by a vote of the Association.

11.6 Special Assessments.

- a. In addition to the annual assessment authorized above, the Board may levy at any time in an assessment year, a special assessment for any Common Element Improvement other than maintenance or repair provided that any such assessment shall have the consent of the Owners who are voting by ballot either personally, by proxy, or by mail. The vote shall be implemented in accordance with all other formal voting procedures as provided herein.
- b. The Board may authorize any special assessment required due to any type of calamity, material and urgent repair, or material and urgent maintenance which exceeds the available funds for such purpose.

11.7 Notice and Vote for Any Action. Written notice of any meeting called for the purpose of taking any action authorized under this section shall be sent, along with a ballot, in accordance with Article IX herein, to all members not less than ten (10) days nor more than thirty (30) days in advance of a special meeting. Issues pertaining to the improvement(s) mentioned herein and/or the special assessments(s) shall be accepted by approval of not less than fifty-one percent (51%) of the eligible Owners voting by ballot either personally, by proxy or by mail and presented at a meeting called for such purpose.

11.8 Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots and shall be collected on a monthly basis, or for such other period as may be determined by the Board.

11.9 Payment of Annual Assessments: Due Dates. The annual assessments shall be payable on a monthly basis with respect to any Owner and shall commence on the first month following the recording of the deed from the Developer or prior Owner by which the Lot is transferred to the current Owner. The first annual assessment shall be adjusted pro rata. The monthly due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid.

11.10 Effect of Non-Payment of Assessments: Remedies of the Association. The Board will enforce penalties for assessment payments not received within fourteen (14) days after the due date. The payment due date shall be the first (1st) day of the month. The late fee for payment received after the fifteenth (15th) day of the month shall be twenty-five dollars (\$25.00). An additional twenty-five dollar (\$25.00) late fee shall be charged on the first day of the following month if the previously unpaid assessment and late fee is not paid by the first day of the next month. A twenty-five (\$25.00) per month fee shall continue until

the assessment and all accrued late fees are paid. After the fifteenth (15th) day of the second (2nd) month in which the assessment remains unpaid, the Board may issue a letter giving notice that a lien shall be filed in thirty (30) days.

11.11 Enforcement. The Board shall bring an action at law or in equity against any Owner personally obligated to pay assessments and is delinquent in paying assessment(s), or take any such action including, filing and or judicial foreclosure of a lien against the Owner's Lot and Unit, or take whatever suitable action at law or in equity it deems necessary to collect the assessments, fees and late fees. If an Owner does not pay a monthly assessment by the fifteenth (15th) day of the third month [*i.e.* more than sixty (60) days] following the date when the assessment was due, and/or an Owner accumulates fines and/or penalties which exceed the sum of three (3) month regular assessment payments, the Board shall declare the equivalent of the sum of the next twelve (12) months Assessments plus any fines or penalties due and payable in full and take any and all action necessary to collect same. The Unit/Lot owner shall be responsible for all costs of collection including court costs and attorneys' fees.

11.12 No Release for Liability to Pay Assessment. No Owner may waive or otherwise avoid liability for the assessments provided herein by non-use of the Common Element(s) or abandonment of a Lot.

11.13 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of a Lot shall cause a lien to be immediately due and payable. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall cause the lien to be immediately due and payable. No sale or transfer shall relieve such Owner from liability for any assessments thereafter becoming due or relieve the Owner's Lot from the lien thereof.

ARTICLE XII CASUALTY AND CONDEMNATION

12.1 Casualty.

- a. In the event of a fire or other disaster causing loss, damage, or destruction to or of the Property, the proceeds of any policy insuring against the same and payable by reason thereof, if sufficient to reconstruct the Property, shall be applied to such reconstruction. As used throughout this Section, reconstruction means restoration of the Property to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior thereto.

- b. In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, if the Property is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and fewer than fifty percent (50%) of the Units are rendered uninhabitable by such fire or other disaster, then provision for reconstruction of the Property must be made by the affirmative vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Meetings to consider reconstruction shall be held within thirty (30) days following the final adjustment of insurance claims, if any. Otherwise, if no insurance adjustment is necessary, such meeting shall be held within ninety (90) days after such fire or other disaster. At any such meeting, the Board or its representative shall present to the Unit Owners present an estimate of the cost of such reconstruction and the estimated amount of necessary special assessments against each Unit Owner to pay for such reconstruction. If the improvements on the Property are reconstructed, any insurance proceeds shall be applied to such reconstruction, and special assessments may be made against the Unit Owners to pay the balance of the cost thereof.

ARTICLE XIII INSURANCE

13.1 Liability and Hazard Insurance. The Association shall procure and maintain adequate liability and hazard insurance, including law and ordinance, flood and earthquake insurance on the Common Elements and all property owned by the Association. The Association's insurance shall provide full replacement cost up to the value of the entire development subject to the terms, conditions, and exclusions in the policy. The Association is authorized and required to procure and maintain liability and hazard insurance on all building structures, components, improvements, appliances, and systems being part of the original Unit or Lot (or a replacement of any part of any Unit of Lot), but excluding personal property and fixtures not constituting a part of the Unit. If insurance upon any property not owned by the Association is procured and maintained by the Association, it shall be procured and maintained in a manner that provides substantially equal benefit to all Owners. Any and all property and casualty losses whether or not insured shall be divided equally among all Unit Owners. The Board shall review the cost and coverage of the Association's insurance at least annually.

13.2 Property to be Insured. Each Unit for the purposes of property insurance shall include the complete building structure, fixtures, installations, interior walls, floors and ceiling of the individual Units which are original installations or have been replaced

according to the original plans. For the purpose of insurance, insured items are to also include such property which is to be maintained, repaired or replaced by the Unit Owner as stated elsewhere in the By-Laws. Fixtures or installations include paint, wallpaper, paneling, tile/carpeting, heating and air-conditioning, cabinets, cooking ranges, electrical fixtures, dishwashers, fire extinguishing apparatus and plumbing fixtures.

13.3 Flood Insurance. The Association's flood insurance shall cover all real property excluding personal property in each Unit regardless of when or by whom it was installed. The flood insurance deductible may be excluded from loss assessment coverage.

13.4 Insurance for Board Members' Actions. The Association shall procure and maintain adequate liability and fidelity bonding insurance to cover the Board, whether elected or appointed.

ARTICLE XIV MEMBER VOTING

14.1 Number of Votes. Each Lot/Unit shall be entitled to one vote. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as they among themselves jointly determine, but in no event shall more than one vote be cast with respect to any one Lot/Unit.

14.2 Eligibility to Vote. Members are eligible to vote if they are current in their obligation to pay the Association assessments. Members are ineligible to vote if they are in arrears in their obligation to pay the Association assessments. Any Owner who fails to remain current in his/her obligations, and remains so at the date of determination of notice of a pending election or vote shall be denied the opportunity to vote in that election or business activity or to be nominated for election to the Board. An ineligible Member who pays all arrears and any outstanding penalties shall automatically be returned to eligible status effective immediately upon receipt of payment in full of all assessments, interest, late fees and all other associated amounts. Any ineligible owner may request an opportunity to explain his/her reasons for the delinquency at any time up to five (5) days prior to the notice of vote decision. If the reason is deemed valid and there is no chronic history of delinquency, any two (2) members of the Board of Managers are authorized, in their sole discretion, to reinstate that Owner's eligibility to vote.

ARTICLE XV ASSOCIATION RULES AND REGULATIONS

The Board may from time to time issue or revise the Rules and Regulations of the Association. The Rules and Regulations shall at all times be subject to the ordinances of the City of Wentzville and the Master Covenants which shall have precedence. All Owners shall

be notified of the Rules and Regulations including any changes that may be incorporated from time to time.

**ARTICLE XVI
FISCAL YEAR**

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December.

**ARTICLE XVII
CHANGES OR MODIFICATIONS BY DEVELOPER**

Until the latest date on which the last Unit is sold by the Developer to an individual Unit Owner, the Developer, its successors or assigns, shall have the right to change or modify these By-Laws or the Declaration, which change or modification shall be effective upon the recording thereof provided, however, that such right shall only be exercised: (i) to bring the Declaration or By-Laws into compliance with the Act; (ii) to correct clerical or typographical errors in these By-Laws or the Declaration; (iii) to conform such documents to the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity which is participating in purchasing or guarantying mortgages of Units in the Property and of which the Board has notice; or (iv) to add or modify such provisions which compliment the intent of these By-Laws or the Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney-in-fact for such Unit Owner. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer as aforesaid.

**ARTICLE XVIII
AMENDMENTS**

After the last date on which the last unit is sold by the Developer, these By-Laws may be amended, or supplemented by a two-thirds (2/3) majority vote of the Owner's voting or a majority of the eligible voters, whichever is less.

**ARTICLE XIX
ASSIGNMENT BY THE DEVELOPER**

All rights which are specified in this Declaration to be rights of the Developer are assignable, mortgageable and transferable. Any successor to, or assignee of, the rights of the

Developer hereunder (including, whether by foreclosure or deed-in-lieu of foreclosure) shall hold or be entitled to exercise the rights of the Developer as applicable hereunder as fully as if named as such party herein. No party exercising rights as the Developer hereunder shall incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

IN WITNESS WHEREOF, we, being all of the Members of the Board of Managers of the BEAR CREEK HOLLOW VILLA OWNERS ASSOCIATION, have hereunto set our hands this _____ day of _____, 2000.

BEAR CREEK HOLLOW VILLA
OWNERS ASSOCIATION, INC.,
a not for profit corporation

SOLE INITIAL MEMBER:
B & N BUILDERS, L.L.C.,
a Missouri limited liability company

By: Earl O. Banze
President

By: Earl O. Banze Member
Earl O. Banze, Member

(seal)
ATTEST:

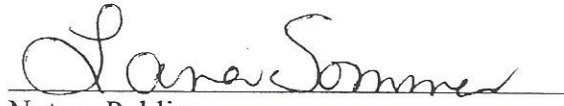
By: Doug M. Nichols Member
Doug M. Nichols, Member

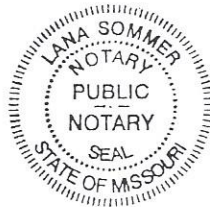
Bette A. B. Versfeld
Secretary

STATE OF MISSOURI)
) SS
COUNTY OF ST. CHARLES)

On this 17th day of May, 2000, before me appeared Earl O. Banze, to be me by personally known, who, being by me duly sworn, did say that he is the duly appointed President of Bear Creek Hollow Villa Owners Association, Inc., a Missouri Not for Profit Corporation, and that he is signing this instrument on behalf of said corporation and that said Earl O. Banze acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Notary Public



My Commission Expires:

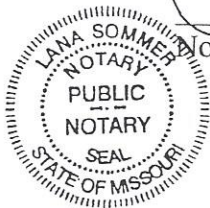
LANA SOMMER
NOTARY PUBLIC - STATE OF MISSOURI
LINCOLN COUNTY
MY COMMISSION EXPIRES JULY 11, 2003

STATE OF MISSOURI)
) SS
COUNTY OF ST. CHARLES)

On this 17th day of May, 2000, before me appeared Beth Banze Versheldon, to be me by personally known, who, being by me duly sworn, did say that she is the duly appointed Secretary of Bear Creek Hollow Villa Owners Association, Inc., a Missouri Not for Profit Corporation, and that she is signing this instrument on behalf of said corporation and that said Beth Banze Versheldon acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Notary Public



My Commission Expires:

LANA SOMMER
NOTARY PUBLIC - STATE OF MISSOURI
LINCOLN COUNTY
MY COMMISSION EXPIRES JULY 11, 2003