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**BY-LAWS**

**OF**

**SPRINGHURST TERRACE CONDOMINIUM ASSOCIATION**

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**BY-LAWS**  
**of**  
**SPRINGHURST TERRACE CONDOMINIUM ASSOCIATION**  
**(a condominium unit owners' association)**

**ARTICLE ONE**  
**MEMBERSHIP, OFFICES, APPLICABILITY, DEFINITIONS**

**1.1 Name.** The name of the Association shall be Springhurst Terrace Condominium Association ("Association"), which shall be deemed to be the unit owners' association pursuant to the Uniform Condominium Act of the State of Missouri ("Act"), and the "Declaration of Springhurst Terrace Condominium" as recorded on \_\_\_\_\_, 2006 in Book \_\_\_\_\_, Page \_\_\_\_\_ of the Recorder of Deeds, St. Charles County, Missouri, as may be amended ("Declaration"), and which shall be organized as a nonprofit corporation under Chapter 355, Mo. Rev. Stat., the Nonprofit Corporation Act of the State of Missouri.

**1.2 Membership.** The Members of the Association shall consist of the record Owners of the Condominium in accordance with their Allocated Interests as provided in the Declaration. The membership of each Owner shall terminate when he ceases to be an Owner, and upon the sale, transfer or other disposition of his ownership interest, his membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

**1.3 Office.** The principal office of the Association shall be located within The Villages at Springhurst or St. Charles County, Missouri, as determined by the Board.

**1.4 Applicability.** The provisions of these By-Laws are applicable to all of the Condominium subjected to the Act and Declaration and to use and occupancy thereof.

**1.5 Definitions.** The definition of words and terms contained in the Act and Declaration shall apply to these By-Laws.

**ARTICLE TWO**  
**ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES**

**2.1 Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or to such other convenient location as may be designated by the Board.

**2.2 Annual Meetings.** The annual meeting of the Members shall be held in the month of September or such other date to coordinate with the annual meeting to elect Voting Members under the Master Declaration. At such meeting, the Directors shall be elected by the Members as provided in Article Three. The Members may transact other business at such

meetings as may properly come before them, provided that written notice is given to all Members at least ten (10) days in advance of the meeting.

**2.3 Special Meetings.** Special meetings of the Association may be called by the President, by resolution of a majority of the Board or upon a petition signed by at least twenty percent (20%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**2.4 Notice of Meetings.** The Secretary or other officer specified in the By-Laws shall mail or cause to be delivered to each Member, at his Unit address or other address provided by the Owner, a notice of each annual or special meeting of the Association stating the purpose and the time and place where it is to be held. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than fourteen (14) nor more than thirty (30) days before a meeting.

**2.5 Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may waive notice in writing, either before or after the meeting. Attendance at a meeting by a Member shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

**2.6 Adjournment of Meetings.** If any meeting of the Association cannot be held because a quorum is not present, the Board shall reschedule the meeting. At the rescheduled meeting, the quorum requirement shall be one-half (1/2) of the requirement provided in Section 2.9 of these By-Laws, and any business which might have been transacted at the meeting originally called may be transacted.

**2.7 Voting.** The voting rights of the Members shall be as set forth in the Declaration and as follows:

(a) Multiple Owners of a Unit shall collectively be entitled to one vote.

(b) If only one of several Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Unit. If more than one of the Owners are present, the vote allocated to that Unit 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 Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. In the event of such protest, the vote allocated to that Unit shall not be counted.

(c) If an Owner is a corporation, any designated officer of such corporation may cast the vote allocated to such Unit. If an Owner is a partnership, a designated partner of such partnership may cast the vote allocated to such Unit. The person presiding over the meeting

may require reasonable evidence that the person who is voting on behalf of a corporation or partnership is qualified to so vote.

(d) Votes on any matter that must be decided at a meeting may be cast pursuant to a written proxy specifying the Unit for which it is given, duly executed by the Owner of said Unit, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. The proxy holder shall be another Member or a Director or managing agent of the Association or the leasing agent, attorney or mortgagee of a Member. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. A "directed proxy" may be used for election of Directors and ratification of the budget, containing instructions which shall bind the holder as to the casting of the vote. A "general proxy" without instructions may be used for all other matters required to be voted upon at a meeting, provided that no Member, Director, or managing agent of the Association, or the leasing agent, attorney, or mortgagee of a Member, or other Person may use a general proxy to cast the vote of more than three (3) Members at any meeting. A proxy is void if it is not dated or purports to be revocable without notice. Every proxy shall be revocable and shall automatically cease upon (i) conveyance of any Unit for which it was given, (ii) receipt by the Secretary of a written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or (iii) adjournment of the meeting for which the proxy is given.

(e) No vote allocated to a Unit owned by the Association may be cast.

(f) Only the Unit of a Member in Good Standing is eligible for voting purposes; other Units shall not be counted in determining whether a quorum is present at any meeting.

**2.8 Majority.** As used in these By-Laws, the term "Majority" shall mean those votes, Members, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

**2.9 Quorum.** The presence at the beginning of any duly called meeting, in person or by proxy, of twenty percent (20%) of all the Members in Good Standing of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

**2.10 Action by Association.** The Association may take action by the affirmative vote of a majority of the Members present at a meeting (in person or by proxy) at which a quorum is present, unless a different percentage is expressly provided by the Act or Documents for specific actions.

### **ARTICLE THREE**

#### **BOARD OF DIRECTORS: NUMBER, MEETINGS**

**3.1 Governing Body.** The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as "Board").



**3.2 Number of Directors, Qualifications.** The Board shall consist of three (3) Directors who shall be qualified as provided in the Declaration. The number of Directors may be changed by amendment of these By-Laws, provided that the number shall not be less than three (3).

**3.3 Nomination of Directors.** Except with respect to Directors appointed by the Declarant, a Nominating Committee, consisting of Owners other than the Declarant, shall be appointed by the Board to solicit nominations for election to the Board from the Members. The Nominating Committee shall be appointed at least sixty (60) days before the election meeting, and may make as many nominations for election to the Board as it shall determine in its discretion. Nominations may also be made from the floor at the election.

**3.4 Election of Directors.** The Directors shall be appointed or elected as provided in Section 6.5 of the Declaration.

**3.5 Term of Office of Directors.** Directors elected by the Members after the Period of Declarant Control shall each have two (2) year terms, which shall be staggered, and shall hold office until their respective successors have been elected.

**3.6 Removal of Directors.** At any regular or special meeting of the Association duly called and with proper notice to the Members, at which a quorum is present, any one or more of the Directors may be removed by resolution approved by two-thirds (2/3) of the Members in Good Standing voting at such meeting. A request to remove a Director may be made to the Board by petition signed by at least 20% of all of the Members in Good Standing. In the event the Board declines or refuses to act, the petitioners may schedule and hold the meeting. No more than one meeting shall be held to recall any particular Director within any period of twelve (12) months. In the event any Director is removed by such vote of the Members, a meeting shall be held within 14 to 30 days thereafter at which a successor shall be elected to fill the vacancy thus created.

**3.7 Vacancies.** In the event of the death, disability, or resignation of a Director, or a Director ceases to be an Owner, the Board shall declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting. Any Director who has three (3) unexcused absences from Board meetings within one (1) year or who ceases to be a Member in Good Standing for more than thirty (30) days may be removed by a majority vote of the other Directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting.

**3.8 Organization Meetings.** The first meeting of the Directors following each election shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

**3.9 Regular Meetings.** Regular monthly meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such meetings shall be held at least quarterly. Directors may participate in a meeting of the Board by means of conference telephone, email or similar communications equipment, by means of which

all persons participating in the meeting can hear or otherwise communicate with each other, and participation pursuant to this Section shall constitute presence in person at such meeting.

**3.10 Special Meetings.** Special meetings of the Board shall be held when called by notice by the President or by a majority of the Board specifying the time and place of the meeting and the nature of any special business to be considered.

**3.11 Notice; Waiver of Notice.** Notices of Board meetings shall be given to each Director by personal delivery, mail, or by such other means reasonably expected to communicate such notice promptly, shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be conducted. The transactions of any meeting of the Board shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes.

**3.12 Quorum and Action of Board.** A majority of the Directors, present at the beginning of any Board meeting, shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board.

**3.13 Conduct of Meetings.** The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and transactions and proceedings occurring at such meetings.

**3.14 Compensation.** No Director shall receive any compensation for acting as such. A Director shall be entitled to reimbursement for actual and reasonable expenses incurred on behalf of the Association upon Board approval. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and that such contract was approved by the Board, excluding the participation and vote of the interested Director.

**3.15 Open Meetings; Executive Session.** Except as provided herein, all meetings of the Board shall be open to all Members. Except in an emergency, notice of Board meetings shall be posted at least forty-eight (48) hours in advance of the meeting at a conspicuous place within the Condominium. The Board may designate portions of the meetings for the purpose of participation by the Members. Notwithstanding the foregoing, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than the Directors, to discuss matters of a sensitive nature, such as pending or threatened litigation and personnel matters.

**3.16 Executive Committee.** The Board may, by resolution, designate an Executive Committee, consisting of the officers specified in Section 5.1 of these By-Laws, to act in the

event of an emergency occurring between regular Board meetings. Except as may be limited by such resolution, the Executive Committee shall have and exercise the authority of the Board in the event of an emergency.

**3.17 Consent to Corporate Action.** If the Directors individually or collectively consent in writing to any action taken or to be taken by the Board, and the number of the Directors constitutes a quorum for such action, such action shall be valid as though it had been authorized at a meeting of the Board. The Secretary shall file such consents with the minutes of the official Board meetings.

**3.18 Conflict of Interest.** Any Director who has a financial interest or other conflict of interest in connection with any transaction or business of the Board shall fully disclose same before the Board votes on such matter, and said Director shall refrain from discussion and abstain from voting. The remaining Directors may appoint a disinterested Owner to the Board for the limited purpose of voting upon such matter(s).

#### **ARTICLE FOUR** **POWERS AND DUTIES OF THE BOARD**

**4.1 Authority.** The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Act or Declaration exclusively reserved to be exercised by the Members. The powers and duties of the Association under the Declaration and these By-Laws shall be exercised by the Master Association as provided in Section 7.17 of the Declaration.

**4.2 Administrative Powers and Duties.** In addition to the powers and duties imposed by the Act and Declaration, these By-Laws or by any resolution of the Association, the Board shall have the following powers and duties:

(a) To prepare the annual budget as follows:

(1) The Board shall estimate the total amount which of anticipated Common Expenses for the ensuing fiscal year and shall furnish a written summary to each Member as to the amount of such estimate, with the particulars therein itemized and the amount of the annual Common Expense assessment allocated to each Unit, and have the budget ratified as provided in Section 9.3 of the Declaration.

(b) To collect assessments under Article IX of the Declaration as follows:

(1) Monthly installments shall be due on the first day of each month and if payment is not received by the close of business on the tenth (10th) day shall be designated as late and a late charge and interest (from the date due) shall attach. A written notice to the Member shall be provided.

(2) If any monthly installment has not been paid within thirty (30) days of the date due, a second written notice shall be provided.

(3) If any monthly installment has not been paid within sixty (60) days after the due date, and the delinquent Owner has made no arrangements to pay, the Board may authorize the recordation of a Notice of Lien against the Unit or initiation of a legal action to collect the debt against the Owner, including:

- a. Past due monthly installments.
- b. Special assessment (if any).
- c. Late charges.
- d. Interest on the delinquent assessment.
- e. Accelerate unpaid balance of the annual assessment.
- f. Attorney's fees.
- g. Recording costs.
- h. Other actual expenses incurred.

(4) Part payments on a delinquent account shall be applied in the following order:

- a. Court costs.
- b. Attorney's fees.
- c. Expenses, management fees, administrative costs and other charges incurred by the Board.
- d. All late charges accrued.
- e. All interest charges accrued.
- f. The principal amount of the assessment due.
- g. Other qualifying expenses, if any.
- h. Amount of accelerated assessment.

(5) Any Member who ceases to be a Member in Good Standing by virtue of unpaid assessments shall not be entitled to vote, serve on the Board, or utilize the recreation facilities of the Master Association.

(6) The Board may waive late fees, interest and costs for good cause, and adopt such further Rules to provide for the efficient and effective collection of unpaid assessments.

(c) To provide for the operation, care, maintenance, repair and replacement of the Common Elements consistent with community-wide standard as determined by the Board.

(d) To employ, compensate and terminate such employees as are necessary to carry out the Association's responsibilities and, as reasonable and necessary, to purchase such equipment, supplies, and materials to be used by such personnel in the performance of their duties.

(e) To make or contract for the making of repairs, additions, and improvements to or alterations of the Common Elements in accordance with the Declaration.



(f) To open bank accounts on behalf of the Association and designate the signatories required, to deposit all funds received on behalf of the Association, and to use such funds to operate the Association; provided, that any reserve funds may be deposited in depositories other than banks, in the Board's best judgment.

(g) To arrange or contract for and to pay the cost of all services rendered to the Association or its Members and not chargeable to individual Members.

(h) To keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration. All books and records shall be kept in accordance with generally accepted accounting practices.

(i) To make available for inspection by any prospective purchaser of a Unit under contract, any Member, or any holder, insurer or guarantor of a Security Interest on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association.

(j) To preserve all records for the period of time required by applicable law or regulation.

(k) To permit utility suppliers and private services providers to use the Common Elements reasonably necessary to the ongoing operation of the Condominium.

(l) To establish committees, and to appoint chairs and members thereof, to perform such tasks and to serve for such periods as may be designated by a resolution which shall set forth the committee's duties, powers and duration. Each committee shall operate in accordance with the terms of the Board resolution and with rules adopted by the Board.

(m) To employ a management agent to perform such duties and services as the Board shall authorize, but the Board may not delegate the approval of budgets and assessments; adoption, amendment or termination of Rules; opening bank accounts or designation of signatories; and enforcement by legal means of any provision of the Act, Declaration or these By-Laws. The Association shall not be bound, either directly or indirectly, by any management agreement entered into during the Period of Declarant Control unless such agreement contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Period of Declarant Control upon not more than ninety (90) days written notice.

(n) To assist in the resolution of disputes between and among members without litigation, as set forth in the Declaration.

**4.3 Notice and Opportunity to be Heard.** The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Declaration and By-Laws. To the extent required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) **Notice.** The Board or its delegate shall serve the alleged violator with written notice describing (1) the nature of the alleged violation, (2) the proposed sanction to be imposed, (3) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board, and (4) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions of the Declaration or By-Laws by any Person.

(b) **Hearing.** If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or his or her representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) **Additional Enforcement Rights.** Notwithstanding anything to the contrary in this Section 4.3, the Board may elect to enforce any provision of the Declaration or By-Laws by abatement, including, but not limited to, towing vehicles that violate any use restriction or Rule, or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, commence a suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member or occupant responsible for the violation shall pay all costs, including reasonable attorney's fees actually incurred. Any entry into a Unit for purposes of abatement shall not be deemed as a trespass.

#### 4.4 **Board Standards.** The Board shall be guided by the following standards:

(a) **Business.** While conducting the Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a Director from personal liability so long as the party claiming liability does not prove that the Director failed to (1) act within his or her authority, (2) serve in a manner the Director believes to be in the best interests of the Association and its members, (3) serve in good faith, or (4) act with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(b) **Governance.** In fulfilling its governance responsibilities, the Board's decisions and actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Documents.



(c) **Operations.** Operational standards of the Board and any committee appointed by the Board shall be the requirements set forth in the Documents or the minimum standards which Declarant and the Board may establish. Such standards shall meet or exceed the standards set by the Declarant and the Board during the Period of Declarant Control. Operational standards may evolve as the needs and demands of the Condominium and the Association change over time.

## **ARTICLE FIVE**

### **OFFICERS**

**5.1 Designation.** The officers of the Association shall be a President, Secretary, and Treasurer, all of whom shall be elected by the Board. The Board may elect such other officers, including a Vice-President, one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President, Vice President (if any), Secretary and Treasurer shall be elected from among the Directors.

**5.2 Election, Term of Office and Vacancies.** The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual election.

**5.3 Removal and Vacancies.** The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

**5.4 Powers and Duties.** The officers of the Board shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Secretary shall keep all official records and minutes of the Board and Association and provide all required notices. The Treasurer shall maintain all financial records and prepare the budget.

**5.5 Resignation.** Any officer may resign at any time by giving written notice to the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

**5.6 Agreements, Contracts, Deeds, Leases, Checks.** All agreements, contracts, deeds, leases, checks and other instruments of the Association approved by the Board shall be executed by the President or, in the absence of the President, any officer or such other person or person as may be designated by resolution of the Board; provided, however, in the event of an emergency, the President shall have such authority as reasonably necessary under the circumstances to act on behalf of the Association. The signature of two (2) officers shall be required to access reserve funds of the Association.

**5.7 Certification.** The President, Vice President (if any), Secretary and Treasurer, in said order, shall be authorized to prepare, execute and record amendments to the Declaration and other instruments on behalf of the Association, and the Secretary shall be authorized to certify any instrument or document requiring certification.

**5.8 Compensation.** Compensation of officers shall be subject to the same limitations as compensation of Directors under Section 3.14 of these By-Laws.

**ARTICLE SIX**  
**INSURANCE; DAMAGE OR DESTRUCTION**

The Board, to the extent reasonably available, shall obtain and maintain insurance in compliance with Section 448.3-113 of the Act, as follows:

**6.1 Property Insurance.**

**(a) Property insurance covering.** The Units and Common Elements of the Condominium (including Limited Common Elements but excluding land and excavations).

**(b) Amounts.** The Condominium shall be insured for an amount not less than the full insurable replacement cost. Personal property owned by the Association shall be insured for an amount equal to its replacement cost.

(1) The Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the project facilities and the replacement cost of the personal property, and the cost of such appraisals shall be a Common Expense.

(2) The deductible shall be in such amount as the Board may deem reasonable under the circumstances, and in the event of a claim, may be allocated to Unit(s) benefitting therefrom in such manner as the Board may determine pursuant to its rulemaking authority.

**(c) Risks Insured Against.** The insurance shall afford protection against perils, as broadly as reasonably available, including earthquake, under coverage currently known as "special form" or "special causes of loss."

**(d) Other Provisions.** Insurance policies required by this Section shall provide that:

(1) The insurer waives the right to subrogation under the policy against an Owner or member of the household of all Owner (excepting tenants not related to the Owner);

(2) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

(3) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(4) Any loss covered by the property policy shall be adjusted with the Association, but the insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance proceeds shall be held in trust for each Owner and lienholders as their interests may appear, and applied pursuant to Section 448.3-113.5 of the Act.

(5) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association.

(6) The name of the insured shall be the Association.

**6.2 Liability Insurance.** Liability insurance shall be provided in an amount determined by the Board but in no event less than \$1,000,000.00, covering all occurrences commonly insured against for death, bodily injury, property damage and personal injury arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

**Other provisions.** Insurance policies carried pursuant to this Section shall provide that:

(a) Each Owner is an additional insured under the policy with respect to liability arising out of the interest of the Owner in the Common Elements or membership in the Association.

(b) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner (excepting tenants not related to the Owner).

(c) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

(d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(e) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association.

**6.3 Fidelity Insurance.** A blanket fidelity bond or insurance is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not he receives compensation for his services. The bond or insurance shall name the Association as obligee and it shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond or insurance is in force in the sum of three (3) months' assessments plus reserve funds. The cost of premiums for such blanket bond or insurance shall be paid out of Association funds as a Common Expense and shall not be borne by the individual Directors.

**6.4 Owner Policies.** Each Owner shall obtain property and liability insurance for his or her own benefit. Property insurance shall include the additional cost of any improvements added by current or prior Owners, and all personal property owned by Owners and their families. The Board may adopt such Rules as it deems reasonable to foster appropriate property insurance coverage, including by way of example, coverages under Owners' personal policies to coordinate with the Association's policy, such as allocation of deductibles, and procedures for property insurance claims. The Board may require that evidence of current insurance be furnished by each Owner to the Board and that all leases require insurance satisfying this Section 6.4 and that evidence of current insurance be furnished to the Board.

**6.5 Workers' Compensation Insurance.** The Board shall obtain and maintain Workers' Compensation Insurance if employees are hired or if contractors are hired who do not maintain their own policy.

**6.6 Directors' and Officers' Liability Insurance.** The Board shall obtain and maintain directors' and officers' liability insurance covering all of the Directors, Officers and managing agent (if any) of the Association in such limits as the Board may, from time to time, determine.

**6.7 Automobile Liability Insurance.** The Board may obtain and maintain insurance coverage for employer's non-owned automobile liability.

**6.8 Other Insurance.** The Association may carry other insurance which the Board considers appropriate to protect the Association or the Owners' interests in the Condominium.

**6.9 Reconstruction.** Any portion of the Condominium for which insurance is required under Section 448.3-113 of the Act which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) the Condominium is terminated, (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) eighty percent (80%) of the Owners, including every Owner of a Unit or assigned LCE which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Condominium is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (ii) the insurance proceeds attributable to Units and LCEs which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those LCEs were

allocated, and (iii) the remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all Units. If the Owners vote not to rebuild any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under subsection 1 of Section 448.1-107 of the Act, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this Section 6.9, Section 448.2-118 of the Act governs the distribution of insurance proceeds if the Condominium is terminated.

**6.10 Plans.** The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board and a majority of all the Owners. Any Owner, at his sole expense, may make any alterations or improvements to his Unit as permitted in accordance with Section 448.2-111 of the Act and Article VIII of the Declaration.

**6.11 Insurance Proceeds.** The insurance trustee, or if there is no insurance trustee, then the Board, shall hold any insurance proceeds in trust for the Association, Owners and lien holders as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged portions of the Condominium. The Association, Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Condominium has been completely repaired or restored, or the Condominium is terminated.

**6.12 Termination.** Notwithstanding anything to the contrary in Section 6.12, in the event of termination of the Condominium in connection with a decision not to rebuild, the insurance proceeds may first be applied to removal of all debris, and the balance of the proceeds shall be governed by Section 448.2-118 of the Act.

**6.13 Certificates by the Board.** The insurance trustee, if any, may rely on the following certifications in writing made by the Board:

(a) Whether or not damaged or destroyed portions of the Condominium are to be repaired or restored;

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

**6.14 Certificates by Attorneys.** Title insurance companies or if payments are to be made to Owners or mortgagees, the Board, and the insurance trustee, if any, shall obtain and may rely on a title insurance company or attorney's title certificate of title or a title insurance policy based on a search of the Records of the St. Charles County from the date of recording of the original Declaration stating the names of the Owners and the mortgagees.

**ARTICLE SEVEN**  
**MISCELLANEOUS**

**7.1 Fiscal Year.** The fiscal year of the Association shall be a calendar year unless otherwise set by resolution of the Board.

**7.2 Parliamentary Rules.** The Board may establish procedures to govern the conduct of Association proceedings when not in conflict with Missouri law or the Governing Documents.

**7.3 Conflict of Law.** In the event of conflict between Missouri law, Articles of Incorporation, Declaration and these By-Laws, the provisions of the Act, the Declaration, NPCA, the Articles of Incorporation, and the By-Laws (in that order) shall control.

**7.4 Books and Records.**

(a) **Records.** The Association shall maintain all records appropriate for entities of similar nature in accordance with generally acceptable accounting practices.

(b) **Inspection by Members and Mortgagees.**

(1) The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Security Interest on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the community manager's office, the Association's office or at such other place within the Condominium as the Board shall designate. Correspondence and other records protected by attorney-client privilege or other privilege are not subject to inspection by Members without prior written consent of the Board.

(2) **Rules for Inspection.** The Board shall establish reasonable rules and procedures with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection, reasonable business hours when the records will be made available for inspection, and payment of the cost of reproducing copies of documents requested by a Member.

(3) Except to the extent of a conflict of interest under Section 3.18 of these By-Laws, every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents at the expense of the Association.

(c) **Accounting.** A compilation or review of the accounts of the Association shall be made annually in compliance with generally accepted accounting practices for entities such as the Association. An audit of the accounts may be performed in the Board's discretion, and shall be performed as a Common Expense if so directed by a resolution adopted by a

majority of all Members in Good Standing at a meeting of the Association called for said purpose.

**7.5 Notices.** Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class U.S. mail, postage prepaid:

(a) to a Member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Owner; or

(b) to the Association, the Board, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section.

**7.6 Amendment.** These By-Laws may be amended only as provided in Section 13.2 of the Declaration.

**7.7 Applicability.** These By-Laws shall be effective upon adoption by the initial Board of Directors of the Association.

### CERTIFICATION

We, the undersigned, being the President and Secretary of the Board of Directors of Springhurst Terrace Condominium Association, a Missouri nonprofit corporation, do hereby certify that the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors held on the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

IN WITNESS WHEREOF, the President and Secretary of the Board have hereunto subscribed our names to these By-Laws.

SPRINGHURST TERRACE CONDOMINIUM  
ASSOCIATION, a Missouri nonprofit corporation

By: \_\_\_\_\_  
Its President

[No Seal]

Attest:

\_\_\_\_\_



(a) to a Member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Owner; or

(b) to the Association, the Board, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section.

7.6 **Amendment.** These By-Laws may be amended only as provided in Section 13.2 of the Declaration.

7.7 **Applicability.** These By-Laws shall be effective upon adoption by the initial Board of Directors of the Association.

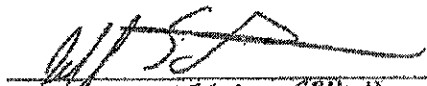
#### CERTIFICATION

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IN WITNESS WHEREOF, the President and Secretary of the Board have hereunto subscribed our names to these By-Laws.


SPRINGHURST TERRACE CONDOMINIUM  
ASSOCIATION, a Missouri nonprofit corporation

By:

  
His President JEFF SCHINDLER

[No Seal]

Attest:

  
Secretary

MIKE BAWMAN