

Per Article IX Section 9.2 of the Indenture.

**BAXTER LAKES ADDITION NUMBER TWO
HOMEOWNERS' ARCHITECTURAL DESIGN SPECIFICATIONS**

- A. No building shall be erected or placed on any lot until the construction plans and specifications, and a plan showing location of the structure have been approved by the Trustees.
- B. No alterations or additions to any existing building which involve extension of any plane of the building one foot or more (except for patio fences, described later) shall be permitted until the construction plan and specifications, and a plan showing the location of the alteration/addition, have been approved by the Trustees.
- C. No major earth-moving projects, such as swimming pool installations, removal of terraces, revision of slopes and/or drainage patterns, and the like, shall be undertaken until the plans and specifications have been approved by the Trustees.
- D. No satellite type antennas greater than 1 meter in diameter shall be installed, without an exception granted by the Trustees. (See Article VIII, 8.11 of the Restatement of Indenture of Restrictions.)
- E. No fence, hedge or mass planting shall be installed on any lot until the construction plans and specifications and the locations plan have been approved by the trustees. Said approval of fences, hedges or mass plantings shall be subject to the following:
 1. No fence, hedge or mass planting shall be erected, placed or altered on any lot nearer to the street than the minimum building set back line, without an exception granted by the Trustees.
 2. No fence, hedge or mass planting may be erected on any part of a lot that abuts common ground without an exception granted by the Trustees.
 3. No fence, hedge or mass planting shall be permitted past the inner lines of any easement area of the concerned lot, without an exception granted by the Trustees.
 4. Perimeter Fences:
 - a) Perimeter fences may enclose back and side yards only, and shall not be permitted in front yards.
 - b) No perimeter fence of any type shall exceed 54" from ground to top of highest part of fence.
 - c) Perimeter fences may be of the following materials and per the following specifications:
 - (1) Split rail/post and rail: Said fences may be of two or three rails. Material may be western cedar and/or such woods as may be available with preservative treatment.
 - (2) Board on board: Such fences may be of cedar or redwood and/or such woods as may be available with preservative treatment. Posts shall be approximately 4x4", round or square. Rails shall be 2x4" or 2x6"; two or three rails may be used. Boards may be no less than 1x4" and no more than 1x10". Boards must alternate from side to side of the rails, with at least 2" between each board on each side of the rails. Boards must be mounted vertical to the ground.
 - (3) Picket: Such fences may be of cedar or redwood and/or such woods as may be available with preservative treatment. Posts shall be approximately 4x4", round or square. Rails shall be 2x4" or 2x6"; two or three rails may be used. Boards shall be no less than 1x4" and no more than 1x8", and must be placed all on one side. Posts and rails must be on the inside of the fenced-in area. Boards must be mounted vertical to the ground. The tops of boards may be square, rounded or sawed diagonally to a point.
 - (4) Stockade: Such fences may be of cedar or redwood and/or such woods as may be available with preservative treatment. Slats must be of rough wood, either round or split in half. Slats

must be mounted on one side of the rail, with post and rails on the inside of the fenced-in area. If slats are split in half, the round side must be to the outside. Slats must be at least 4" wide and at least 1" thick at the thickest point. Slats must be mounted vertical to the ground.

- (5) Split rail with wire: Such fences must comply with the requirements of sub-paragraph (1), above. To the inside may be affixed heavy duty wire netting materials. The wire fencing material must be galvanized or plastic/vinyl coated to prevent rust.
- d) Posts for all fences shall be anchored in a base of concrete at least 18" into the ground.
- e) Wooden fence materials may be left natural in color or may be stained to blend harmoniously with the colors of the house.
- f) Nails, fasteners and other metal devices must be galvanized or stainless.
- g) Posts shall be of wood material and placed no further apart than 10' 0", center to center. Metal posts and rails are prohibited.
- h) Chain link fencing is prohibited. No barbed wire may be used in conjunction with any kind of fencing, or on a stand alone basis.
- i) Owners of lots on which fences are installed shall be required to cut and trim grass and maintain any landscaping on their property outside the fence. Without crossing the property lines into other lots.
- j) Perimeter fences on any one lot must be of one style.

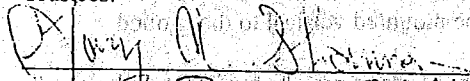
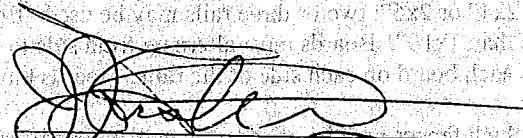
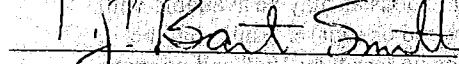

5. Patio Privacy Fences:

Such fences may be erected in conformity with any of the specifications for perimeter fences, except they may be as high as 6',

- F. Within one year following completion of a structure or fence, the Trustees may require the lot owner to add landscaping along the structure or fence.
- G. Trustees shall review all applications for building, additions, changes, hedges, mass plantings, fences, pools, grade changes and the like as to quality and type of workmanship and materials, harmony of external design with existing structures, location in regard to topography and finish grade elevation, and as to compliance with this Architectural Design Specification.
- H. Trustees shall have 30 days in which to approve or disapprove a proposal. In the event the Trustees fail to respond within 30 days, approval shall not be required. However, any fences must conform with the specifications within this guide.
- I. Trustees may require a deposit in conjunction with any architectural proposal, per Article IX Section 9.1 (c) of the Indenture.

DATE: 11/11/1999

Trustees:

	
J. Bart Smith	Michael A. Golick
	
Michael A. Golick	J. Bart Smith

**Baxter Lakes Addition Number Two
Subdivision**

**Restatement of Indenture of Restrictions
and
By-Laws**

**Baxter Lakes Addition Number Two Homeowners' Association,
A Missouri Nonprofit Corporation**

Rev. 10/26/98

RESTATEMENT OF INDENTURE OF RESTRICTIONS FOR
BAXTER LAKES ADDITION NUMBER TWO SUBDIVISION

RESTATEMENT OF INDENTURE OF RESTRICTIONS FOR
BAXTER LAKES ADDITION NUMBER TWO SUBDIVISION

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RESTATEMENT OF INDENTURE OF RESTRICTIONS FOR

BAXTER LAKES ADDITION NUMBER TWO SUBDIVISION

THIS RESTATEMENT is made this 15th day of March, 1999 by the lot owners of Baxter Lakes Addition Number Two Subdivision and shall be effective upon the date of recording in the official records of the Recorder of Deeds of St. Louis County, Missouri.

WITNESSETH THAT:

WHEREAS, a certain instrument entitled "Indenture of Restrictions for Baxter Lakes Addition Number Two Subdivision" was recorded on May 13, 1977 in Book 6953, Page 989, as amended by instrument recorded at Book 7408, Page 1765 and Book 7408, Page 1767, of the official records of the Recorder of Deeds of St. Louis County, Missouri, as may be further amended ("Original Indenture"); and

WHEREAS, a certain tract of land situated in St. Louis County, Missouri, was subdivided and subjected to the Original Indenture by virtue of the Baxter Lakes Addition No. 2 Subdivision Plat as recorded on the 13th day of May, 1977 in Plat Book 173, Pages 56-58 of the official records of the Recorder of Deeds of St. Louis County, Missouri, as may be amended ("Plat"); and

WHEREAS, said tract of land is more particularly described in the Original Indenture and the Plat, which description is hereby incorporated by reference herein; and

WHEREAS, the Plat established and reserved certain Common Land (referred to on the Plat as "Common Property") and easements which are for the exclusive use and benefit of the lot owners and residents of the Subdivision, except those streets or easements which are or may hereafter be dedicated to public bodies and agencies, and which have been provided for the purpose of constructing, maintaining and operating, sewers, pipes, poles, wires, storm water drainage, and other facilities and public utilities for the use and benefit of the lot owners and residents of the Subdivision, all the foregoing being subject to the Original Indenture; and

WHEREAS, it was the purpose and intention of the Original Indenture to preserve said tract of land, subdivided as aforesaid, as a restricted neighborhood and to protect the same against certain uses by the adoption of the Original Indenture, and to apply the plan contained in the Original Indenture to all of said land described therein and on the Plat, including all Common Land, and mutually to benefit and restrict the lot owners and residents of the Subdivision and to foster their health and welfare; and

WHEREAS, all reservations, limitations, conditions, easements and covenants contained in the Original Indenture are jointly and severally provided for the benefit of all persons who may purchase, hold or reside upon the tract of land subjected to the Original Indenture; and

WHEREAS, Section 9 of Article VI of the Original Indenture authorizes the Lot Owners to amend the Original Indenture at any time by a written agreement signed by not less than one-half (1/2) of all the Lot Owners; and

WHEREAS, the Lot Owners desire to preserve the purposes of the Original Indenture and to restate, amend and supersede the provisions of the Original Indenture, as herein set forth.

NOW THEREFORE, the Lot Owners of the Subdivision, pursuant to said authority and procedure, do hereby restate, amend and supersede the Original Indenture as follows:

The Original Indenture, and any amendments and promulgations thereunder, are hereby deleted in their entirety, and a Restatement of Indenture of Restrictions for Baxter Lakes Addition Number Two Subdivision is substituted in lieu thereof as follows:

ARTICLE I DEFINITIONS

1.1 "Association" means Baxter Lakes Addition Number Two Homeowners' Association, a Missouri nonprofit corporation, the successor to the Trustees named in the Original Indenture;

1.2 "Board of Trustees" or "Board" means the body designated to act on behalf of the Association and shall be deemed to be the Board of Directors under Chapter 355, Mo. Rev. Stat.;

1.3 "By-Laws" means the By-Laws of the Association and any amendments thereto;

1.4 "Common Expenses" means expenses or financial liabilities of the Association, including: (a) expenses of administration, maintenance, repair, improvements, or replacements on the Common Ground, including improvements thereon; (b) expenses relating to implementation and enforcement of the Documents; (c) expenses declared to be Common Expenses by this Restatement; (d) expenses agreed upon as Common Expenses by the Association; and (e) such reasonable reserves as may be established by the Association;

1.5 "Common Expense Liability" means the liability for the Common Expenses allocated to each Lot pursuant to this Restatement;

1.6 "Common Ground" means all portions of the Subdivision other than the Lots, including but not limited to all real property held by the Association (as successor to the Trustees) for the common use and enjoyment of the Owners, including without limitation, open spaces, paths, walkways, storm water control (including retention basins and drainage facilities), sanitary sewers (if any), recreation, and such other facilities shown on the Plat or which may be added in the future;

1.7 "Documents" means this Restatement, Plat, Articles of Incorporation, By-Laws, and Rules, as they may be amended from time to time;

1.8 "Dwelling" means any building on a Lot designed and intended for independent residential use;

1.9 "Lot" means a separate parcel of land, including a Dwelling and other improvements thereon, the location and dimensions of which are depicted on the Plat;

1.10 "Lot Owner" or "Owner" means any person who owns a Lot, not including any person having a Security Interest in a Lot;

1.11 "Ordinance" means any applicable ordinances of the City of Chesterfield or its successor(s), or of such municipal or county government as may have jurisdiction in the future;

1.12 "Original Indenture" means the Indenture of Restrictions for Baxter Lakes Addition Number Two, as recorded at Book 6953, Page 989, of the official records of the Recorder of Deeds, St. Louis County, Missouri, as amended;

1.13 "Person" means a natural person, corporation, business trust, estate trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity; provided, however that in the case of a land trust, "person" means the beneficiary of the trust rather than the trust or the trustee;

1.14 "Plat" means the plat recorded at Plat Book 173, Pages 56-58 of the official records of the Recorder of Deeds of St. Louis County, Missouri, and any amendments thereto;

1.15 "Property" or "Properties" means the land, all improvements, easements, rights and appurtenances, depicted on the Plat and subjected to Original Indenture;

1.16 "Restatement" or "Indenture" means this instrument and any amendments thereto;

1.17 "Rules" means rules, regulations and policies, adopted by the Board pursuant to this Restatement and any amendments thereto;

1.18 "Security Interest" means an interest in any Lot in the Subdivision created by contract or conveyance, which secures payment or performance of an obligation;

1.19 "Subdivision" or "Baxter Lakes Addition Number Two Subdivision" means that subdivision and the Property depicted on the Plat and subjected to Original Indenture;

ARTICLE II
LOCATION, LOTS, BOUNDARIES, ALLOCATED INTERESTS

2.1 Location. The Subdivision is currently situated in the City of Chesterfield, Missouri, and is located on a tract of land described in the Original Indenture and the Plat, which instruments are incorporated herein by reference.

2.2 Lots. The location and dimension of each Lot are depicted in the Plat. The number of Lots is one hundred fifty-three (153).

2.3 Separate Taxation. Each Lot constitutes for all purposes a separate parcel of real estate, and shall be separately assessed and taxed. The Common Ground shall not be subject to separate assessment or taxation.

2.4 Subdividing, Converting and Relocating Lot Boundaries. The subdivision of a Lot or the consolidation of adjacent lots is expressly prohibited. Subject to prior written consent of the Board, and applicable provisions of law, the boundaries between adjoining Lots may be relocated, by an amendment to the Plat, by the affected Owners and at their expense, and with the Board's consent, which shall be evidenced by the Board joining in the execution of such instrument. No such adjustment of Lot boundaries shall reduce the number of Lots for assessment purposes.

2.5 The Allocation of Interests in the Association is as follows:

(a) Each Owner shall have an indirect ownership interest in the Common Ground by virtue of membership in the Association, and shall have a nonexclusive easement and right to use the Common Ground, subject to the provisions of the Documents.

(b) Common Expense Liability shall be allocated on an equal basis, i.e., each Owner having the same liability, subject to Section 7.2.

(c) Votes in the Association for all purposes are allocated on an equal basis, i.e. each Lot having one vote.

ARTICLE III
ASSOCIATION

3.1 Creation. There shall be a homeowners' association, known as "Baxter Lakes Addition Number Two Homeowners' Association" ("Association"), which shall be organized pursuant to the Nonprofit Corporation Act of Missouri, Chapter 355, Mo. Rev. Stat.

3.2 Membership. Membership in the Association at all times shall consist exclusively of all the Owners or, following termination of the Subdivision, of all former Owners entitled to distributions of proceeds under Article XIV of this Restatement, or their heirs, successors or assigns.

3.3 Operation. The operation of the Subdivision shall be vested in the Association.

3.4 Authority. No Owner, except an officer of the Board, shall have any authority to act for or on behalf of the Association without a written Board Resolution.

3.5 Indemnification. Except for their individual willful misconduct or bad faith, the directors, officers and members of the Association shall not be individually or personally liable for the debts, liabilities or obligations of the Association, except to the extent of their Common Expense Liability as members of the Association, and limited to the value of their respective Lots.

3.6 By-Laws. The administration of the Association shall be governed by the By-Laws of the Association which shall at all times contain the minimum requirements of Chapter 355, Mo. Rev. Stat. The By-Laws may be amended only by a vote or agreement of a majority of all the members of the Association.

ARTICLE IV BOARD OF TRUSTEES

4.1 Creation. There shall be a Board of Trustees ("Board") which shall act on behalf of the Association to implement the purposes of the Documents, except as expressly limited in the Documents. The Board shall be deemed to be the "board of directors" under Chapter 355 Mo. Rev. Stat. The Board shall consist of Owners in such number as shall be provided in the By-Laws, but not less than three (3).

4.2 Qualifications. Members of the Board shall be Owners who are residents in good standing. Not more than one (1) Owner of the same Lot, nor an Owner and his/her spouse, may serve on the Board simultaneously.

4.3 Election. The Association shall elect the members of the Board and may remove any member as provided in the By-Laws.

4.4 Duty. In carrying out their responsibilities under the Documents, the Trustees shall act within the authority contained in the Documents, and exercise good faith, diligence, and reasonable care and skill, and without fraud, self-dealing, unconscionability or other misconduct.

ARTICLE V
ASSOCIATION POWERS AND DUTIES

The powers and duties of the Association, acting by and through the Board except as may otherwise be expressly provided herein, shall include those set forth in the Documents, and shall include the following:

- 5.1 Common Ground. The power and duty to own, maintain and control the Common Ground as provided in Article VI.
- 5.2 Dedication. The power to dedicate to public use any private streets constructed whenever such dedication would be accepted by a public agency.
- 5.3 Easements. The power to establish, grant and dedicate easements for public streets, utilities and cable television, in addition to any shown on the Plat, and leases, licenses and concessions in, over and through the streets and Common Ground.
- 5.4 Budgets. The power to adopt and amend budgets of the Association and to impose and collect assessments, as provided in Article VII.
- 5.5 Contracting. The power to enter into contracts and make liabilities for the implementation and enforcement of the Documents.
- 5.6 Trash Removal. The power to provide for removal of trash and recycling of materials on behalf of the Owners.
- 5.7 Rulemaking. The power to adopt and amend reasonable Rules, after notice and opportunity to comment, and to require and revoke permits for particular use of the Common Ground, for the maintenance and conservation of the Subdivision and for the health and welfare of the Owners, and to implement and enforce the intent and purposes of this Restatement in the best interests of the community as a whole. All Owners and occupants shall be subject to such Rules.
- 5.8 Standing. The power to institute, defend or intervene in judicial proceedings, arbitration or administrative proceedings in its own name and on behalf of itself or two (2) or more Owners on matters affecting the Subdivision or the Association.
- 5.9 Penalties. The power (a) to impose interest and charges for late payment of assessments and (b) after notice and opportunity to be heard, to levy reasonable fines and/or penalties, including withdrawing use of Common Ground and/or the right to vote and to serve as a Board member, for a violation of any provision of the Documents.

5.10 Neglected Lots and Dwellings. The power and right of access, after notice and opportunity to be heard (except in an emergency as may be determined by the Board), to correct neglected conditions on any Lot and to restore the exterior appearance of any Dwelling which is damaged or in disrepair, and the Owners and/or tenants thereof may be charged with the reasonable expenses so incurred, including reasonable attorney's fees, which shall be collectable in the same manner as assessments under Article VII. The Association and its agents and employees shall be entitled to entrance by exhibiting to the Owner or tenant an order from the Board, and shall not be deemed guilty or liable for any manner of trespass. If damage is inflicted on Common Ground or a Lot or Dwelling by the Association's acts, the Association is liable for the prompt repair thereof.

5.11 Access to Common Ground. The power and right of access, after notice and opportunity to be heard (except in an emergency as may be determined by the Board), at reasonable hours, as may be necessary to maintain, repair or replace any Common Ground accessible therefrom or another Lot, or to make repairs necessary to prevent damage to the Common Ground or to another Lot or Dwelling, or abate or remove any violation on the Common Ground. The Association, its agents and employees shall not be deemed guilty or liable for any manner of trespass. If damage is inflicted on Common Ground or a Lot or Dwelling by the Association's acts, the Association is liable for the prompt repair thereof.

5.12 Administrative Charges. The power to impose reasonable charges for the preparation and recordation of amendments to the Restatement, any documents or information which may be reasonably required in connection with the sale of any Lot, copies of any records requested by an Owner or his authorized agent, statements of unpaid assessments, and such other documents or records as may be reasonably be requested by an Owner.

5.13 Insurance. The power to purchase and maintain in force such insurance as deemed appropriate by the Board and to the extent reasonably available, including but not limited to property, comprehensive liability, directors' and officers' liability, and such other coverage as deemed appropriate by the Board, and to provide for the indemnification of the Board members, officers, employees and agents.

5.14 Borrowing. The power to borrow funds, including the right to encumber Association assets and to assign its rights to future income (including the right to receive assessments), provided that an Association resolution be approved by a majority of Owners present at a meeting called for said purpose, a quorum being present.

5.15 Conveyance of Common Ground. The power to convey or subject to a Security Interest property owned by the Association, including the Common Ground or portions thereof, provided an Association resolution be approved by a majority of Owners present at a meeting called for said purpose, a quorum being present.

5.16 Committees. The power to appoint Committees from among Board members or from among the Owners as may be desired to perform such tasks as the Board may designate. The Board shall retain final authority over all committee actions.

5.17 Interpretation. The power and authority to interpret and construe the Documents.

5.18 Limitations on Board. The Board shall not have any power to amend the Restatement (subject to Section 12.5), to terminate the Association or the Subdivision, or to elect members of the Board or determine the qualifications, powers and duties or terms of office of Board members, except that the Board shall fill vacancies among its members as provided in the By-Laws.

5.19 General. The power to exercise such other powers as may be provided in the Documents and the Missouri Nonprofit Corporation Act, and to exercise all other powers that may be exercised in Missouri by legal entities of the same type as the Association and any other powers necessary and proper for the governance and operation of the Subdivision and the Association.

ARTICLE VI MAINTENANCE RESPONSIBILITIES

6.1 Association Responsibilities.

(a) Title to Common Ground. All parcels of land depicted on the Plat as "Common Property" and held by the Trustees pursuant to the Original Indenture shall be deemed conveyed in fee simple to the Association upon the effective date of this Indenture. To the extent the Owners may have acquired any interest in the Common Ground as tenants in common under the Original Indenture, such interest shall be deemed to be conveyed to the Association upon the effective date of this Indenture. The Association shall hold the Common Ground in accordance with and pursuant to the Documents and applicable Ordinances.

(b) Control of the Common Ground. The Association shall exercise such control over the Common Ground and easements, including streets and roads, sidewalks (except for those easements, streets and roads, and sidewalks which are now or may hereafter be dedicated to public bodies or agencies), entrance lights, gates, park areas, cul-de-sac islands, medians, entrance markers, shrubbery, storm water sewers, sanitary sewer trunks and lateral lines, pipes, and disposal and treatment facilities as may be shown on the Plat, as is necessary to maintain, repair, rebuild, supervise and insure the proper use of said easements, streets, roads, etc. by the necessary public utilities and others, including the right (to itself and others to whom it may grant permission) to contract for, construct, operate and maintain on, under and over said easements and streets, sidewalks, sewers, pipes, poles, wires and other facilities and public utilities for services to the Lots.

(c) Maintenance of Common Ground. The Association shall maintain, repair and replace all the Common Ground and any improvements thereon as depicted on the Plat, and sanitary and storm sewers (including detention and/or retention basins), if any, and any other sanitary or

storm sewers or other drainage facilities located on and serving any Common Ground or improvements thereon in the Property, or within any designated stormwater maintenance easement, unless and until such facilities are accepted by a public body.

6.2 Owner Responsibilities. Each Owner shall maintain, repair and replace his respective Lot and Dwelling, including all utilities and lateral sewage lines servicing same.

ARTICLE VII
COMMON EXPENSE ASSESSMENTS, BUDGET, COLLECTIONS

7.1 Authority. The Association shall annually determine and fix the sums necessary to provide for the Common Expenses. An Owner, regardless of the manner in which he acquired title to his Lot, including without limit, purchase at a judicial sale, shall be liable for all assessments coming due while he is Owner of the Lot.

7.2 Common Expenses Attributable to Fewer than all Lots. Notwithstanding the allocation stated in Section 2.5(b):

(a) Any Common Expense, or portion thereof, which benefits fewer than all of the Lots, may be assessed exclusively against the Lots benefitted, equally or on any basis deemed equitable by the Board under the circumstances.

(b) Any Common Expense for services provided by the Association to an individual Lot at the request of the Owner, and beyond the Association's duties expressed herein or assumed, shall be assessed against the Lot which benefits from such service.

(c) Any insurance premium increase attributable to a particular Lot by virtue of activities in or construction on the Lot shall be assessed against such Lot.

(d) Assessments to pay a judgment against the Association shall be made only against the Owners of the Association at the time the judgment was entered, in proportion to their Common Expense Liability.

(e) Any Owner, after notice and opportunity to be heard, shall be liable for any damages to any person, any other Lot or Dwelling, or to the Common Grounds intentionally, negligently or by his failure to properly maintain, repair or make replacements to his Lot or Dwelling.

(f) Fees, charges, expenses, costs of correcting or abating a violation, late charges, fines, collection costs, interest, court costs and other expenses of litigation, and reasonable attorney's fees, charged against an Owner pursuant to the Documents, are enforceable as an assessment under this Article VII.

7.3 Preparation and Adoption of Budget.

(a) The Board shall deliver each proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification. Unless at the meeting a majority of all the Owners entitled to vote reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

(b) The annual assessment shall provide a reasonable estimate of the Common Expenses, including reserves, for the forthcoming year. It shall include a statement of late fees and interest to be charged on delinquent accounts under Section 7.9. In the event that, at any time during the year, the Board shall determine that the projected revenue is insufficient to meet current operating expenses, or that a special assessment is required, the Board shall proceed as follows:

(1) if the additional assessment or special assessment constitutes an increase in the annual assessment of twenty-five percent (25%) or less, the Board is authorized to levy such assessment and shall notify the Owners accordingly, or

(2) if the additional assessment or special assessment constitutes an increase in the annual assessment of more than twenty-five percent (25%), the Board shall notify each Owner, in writing, as to the amount of the revised budget or special assessment, which shall then become effective upon approval of a majority of those owners voting by written ballot.

(c) The Board may include capital improvement projects in the annual budget or propose a special assessment(s) or borrowing for such projects; provided, however, that any such project (or multiple projects in the aggregate) exceeding a total of \$15,000.00 shall be approved by a majority of Owners present at a meeting called for said purpose, a quorum being present.

7.4 Certificate of Payment. The Association upon written request shall furnish to an Owner a statement in recordable form setting out the amount of unpaid assessments against the Lot. The statement must be furnished within ten (10) business days after receipt of request and is binding on the Association, the Board and each Owner.

7.5 Payment Schedule. All assessments shall be due and payable annually; the Board may require a periodic payment schedule, but not more frequently than monthly.

7.6 Accounting and Shortages. Following the end of each fiscal year, the Board shall furnish to all Owners an itemized accounting of all income and expenses of the preceding calendar year. At the discretion of the Board, any surplus funds of the Association remaining after payment of or provision for Common Expenses, including anticipated Common Expenses for the next year, shall be paid or credited to the Owners in proportion to their Common Expense Liability.

7.7 Personal Liability of Owners. The Owner at the time an assessment or portion thereof, or fine imposed against the Owner, is due, shall be personally liable for same, together with such charges as may be imposed pursuant to Section 7.9. If the annual assessment is payable in installments, the full amount of the assessment may be accelerated. Personal liability for said assessment or fine shall not pass to a successor in title unless he agrees to assume the obligation.

7.8 No Waiver of Liability. The liability for an assessment shall be an independent and affirmative covenant and may not be avoided by a waiver of the use or enjoyment of the Common Ground or services, or by abandonment of the Lot against which the assessment was made, or by reliance upon any claim against the Board, Association, another Owner or any third party.

7.9 Interest and Late Fees. Assessments and installments thereof, and fines, shall bear interest from the due date until paid, at the rate of twelve percent (12%) per annum, or such other reasonable rate adopted by Resolution of the Board not exceeding the legal limit. If an Owner fails to pay any assessment or installment thereof, or fine, for thirty (30) days from the date due, the Board shall charge a late fee in the sum of Twenty-Five Dollars (\$25.00) or such other reasonable amount which the Board may adopt. The Board shall be entitled to recover all of its reasonable processing and administrative costs, recording fees, expenses for title search, attorneys fees, court costs and paralegal expenses. The interest shall be calculated as simple interest and not be compounded and shall not be charged against late fees.

7.10 Lien for Assessments.

(a) In addition to each Owner's personal liability, the Association has a lien on a Lot for any assessment levied against the Lot or fine imposed against its Owner from the time the assessment (or installment thereof) or fine becomes due, and all costs provided in Section 7.9.

(b) A lien under this Section is prior to all other liens and encumbrances on a Lot except: (1) a first Security Interest on the Lot recorded before the date on which the assessment sought to be enforced became delinquent, or a refinancing thereof, and (2) liens for real estate taxes and other governmental assessments or charges against the Lot. A lien under this Section is not subject to the provisions of Section 513.475 Mo. Rev. Stat. (homestead exemption).

(c) Recording of this Restatement constitutes record notice and perfection of the lien as to assessments which become delinquent thereafter. Further recording of a notice of lien is not required, but may be done at the discretion of the Board.

(d) The lien for an unpaid assessment is extinguished unless the proceedings to enforce the lien are instituted within three years after the full amount of the assessment becomes due, provided that if an Owner of a Lot subject to a lien files a petition for relief under the Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(e) This Section does not prohibit any legal action to collect the debt or prohibit the Association from taking a deed in lieu of foreclosure.

(f) A judgment or decree in any action brought under this Section 7.10 shall include any charges imposed or expenses incurred under Section 7.9.

(g) A judgment or decree in any action brought under this Section is enforceable by execution of the judgment.

(h) The Association's lien may be foreclosed by publication in like manner as a power of sale under Chapter 443, Mo. Rev. Stat.

(i) In the case of foreclosure, the Association shall give reasonable notice of its action to each holder of a Security Interest in a Lot whose interest would be affected.

(j) Any payments received by the Association in discharge of an Owner's obligation shall be applied first to costs and expenses, as specified in Section 7.9, then to the oldest balance due.

ARTICLE VIII RESTRICTIONS

The use of Lots, Dwellings, and Common Ground is restricted as follows upon the effective date of this Restatement, provided, however, that existing uses on said effective date shall not be deemed to be in violation of this Restatement, but violations existing under the Original Indenture may be enforced pursuant to said document after the effective date of this Restatement. The use of Lots, Dwellings and Common Ground shall comply with all applicable Ordinances to the extent such Ordinances are more restrictive.

8.1 Dwelling, Use and Occupancy. No more than one (1) Dwelling shall be located on each Lot. Each Lot and Dwelling shall be used solely for single family residential purposes. The number of occupants shall comply with applicable Ordinances.

8.2 Obstructions. There shall be no obstructions on the Common Ground without prior written consent of the Board.

8.3 Pets and Animals. The keeping of any pet or animal of any kind for commercial purposes, or which by reason of its noisiness or other factor threatens health or is a nuisance or annoyance to the neighborhood, is prohibited. Each Owner shall be responsible for any damage to person or property, shall clean up after his pet or animal, and shall secure his pet or animal at all times outside the Lot.

8.4 Nuisances. No noxious or offensive activity shall be conducted or permitted on any Lot, Dwelling or the Common Ground nor shall anything be done which would become an annoyance or a nuisance to other Owners or occupants. No Owner shall permit or suffer anything to be done or kept in or on his Lot which will increase the insurance rate of the other Lots or Dwellings or the Common Ground or which obstructs or interferes with the rights of other Owners or disturbs them by unreasonable conduct or otherwise permit any nuisance or illegal act on his Lot, Dwelling or Common Ground.

8.5 Commercial Use. No commercial use shall create a nuisance or in any way impair the rights of any Owner, and shall be in strict compliance with applicable Ordinances. No storage of commercial equipment or materials, placement of commercial signs, or any other commercial activity shall be permitted on the exterior of any Lot or Dwelling, or on the Common Ground.

8.6 Vehicle Repairs. No repair, body work or painting of any motor vehicle, except while in an enclosed garage, shall be permitted and only then when such activity is occurring to a vehicle owned by a resident of the Lot on which such activity takes place.

8.7 Trucks, Boats, Etc. No pick-up trucks (in excess of one-half ton capacity), boats, motorcycles, campers, house trailers, recreational vehicles, boat trailers and trailers of any other description shall be permitted to be parked or stored on any Lot, driveway or street unless in an enclosed garage or in such other enclosure approved pursuant to Article IX. No unlicensed or abandoned motor vehicles of any kind whatsoever that are unable to move under their own power may be stored or allowed to remain in the Subdivision unless parked or stored in an enclosed garage or in such other enclosure approved pursuant to Article IX. This Section 8.7 shall not apply to the loading or unloading of an Owner's noncomplying vehicle for reasonable periods of time, or to noncomplying vehicles providing deliveries and other services on behalf of an Owner. The Association, after notice and opportunity to be heard, may cause any vehicle in violation of this Section 8.7 to be towed at the Owner's expense.

8.8 Vehicular Sight Lines. No fence, wall, tree, hedge or shrub planting shall be maintained in such manner as to obstruct sight lines for vehicular traffic.

8.9 Temporary Structure. No structure of a temporary character, trailer, tent, shack, garage, barn or other out buildings shall be used as a residence on any Lot or the Common Ground.

8.10 Signs. Except for signs relating to home security systems, and reasonable and temporary real estate and election signs, no signs of any kind shall be displayed to the public view on any Lot, Dwelling or Common Ground without the prior written consent of the Board. The Board may regulate the size and placement of such signs as it deems reasonable and necessary. The Board may erect appropriate signs on the Common Ground as it deems reasonable and necessary.

8.11 Video and Audio Signal Devices: Satellite dishes, antennas, and other video signal receiving devices may be installed by the Owners only in accordance with such reasonable rules as may be adopted from time to time by the Board in accordance with rules issued by the Federal Communications Commission ("FCC"). Other video or audio signal receiving antennas and other devices, and video or audio signal receiving or transmitting antennas and other devices, not regulated by said FCC rules, may not be installed without prior written consent of the Board.

8.12 Leasing. Any lease of a Dwelling in the Property is subject to the following provisions, whether or not expressly stated in the lease: (a) the lease must be in writing, (b) the use of the premises is subject to the Documents, and (c) the Dwelling cannot be used as a motel or hotel or otherwise for transient tenants. Each tenant agrees to be bound by the Documents, and recognizes and accepts the right and the power of the Association to enforce the Documents against him.

ARTICLE IX DESIGN REVIEW

The following design review provisions shall apply to the approval of all plans and specifications submitted for approval after the effective date of this Restatement; provided, however, that violations existing under the Original Indenture may be enforced pursuant to said document after the effective date of this Restatement.

9.1 Design Review Procedure

(a) No Owner shall commence any Alteration, as defined herein, on or to a Lot or the exterior of a Dwelling, or Common Ground, without the prior written consent of the Board in accordance with this Article IX. For purposes of this Article IX, "Alteration" shall include (1) any significant modification of the exterior of an existing Dwelling, (2) new construction, such as erection of a new Dwelling, attached or detached building or structure, storage shed, animal or pet enclosure, swimming pool, tennis court, fence, wall and retaining wall, and (3) any addition, removal, or modification significantly affecting the exterior appearance of a Dwelling or Lot.

(b) An Owner shall submit a written application, including plans and specifications, and copies of all information submitted to local government, to the Board for approval of any Alteration. The Board shall provide a written response within thirty (30) days after receipt. Failure to do so within such time shall constitute a consent by the Board to the proposed Alteration, unless said period of time is reasonably extended by the Board for good cause.

(c) The Board may, in its discretion, require a reasonable deposit from an Owner in connection with any proposed Alteration to secure completion and to provide for removal of all debris from the site and from adjacent Lots and Common Ground, and that any and all damaged areas shall be repaired and restored to their prior condition. Any unused portion of said deposit shall be refunded upon completion of all restoration and cleanup.

(d) In approving or rejecting any application for an Alteration, the Board shall consider harmony of exterior appearance with the existing improvements in the Subdivision, including architectural design, height, grade, topography, drainage, color and quality of exterior materials and detail, location, construction standards, and other such criteria. The Board may approve with such conditions as it deems reasonable and necessary under the circumstances, including by way of example and not limitation, that the Owner comply with local code and, prior to commencement of any work, that the Owner provide evidence that all applicable local governmental permits have been obtained and that the Owner's contractor(s) has appropriate insurance coverage naming the Association as an insured or additional insured.

(e) No Alteration shall cause any increase in the premiums of any insurance policies carried by the Association or by the Owners of any Lots other than those affected by such change, without prior written consent of the Board.

9.2 Design Review Criteria. Pursuant to Section 5.7, the Board may prepare and maintain criteria, guidelines and procedures for implementation of this Article IX, and may amend same from time to time.

9.3 Board Improvements. The Board may make any additions, alterations or improvements to the Common Ground which, in its judgment, it deems necessary.

9.4 Damage. Notwithstanding payment of a deposit under Section 9.1(c), any Owner who causes any damage to another Lot, Dwelling, or Common Ground shall be responsible to the full extent of such damage, and shall restore any such damaged area to its prior condition, and shall keep the streets clean and free of debris due to construction activities. In the event an Owner fails to comply with this provision, the Board may, in its discretion, make such repairs and collect the costs from the defaulting Owner in the same manner as assessments as provided in Article VII. Subject to Article XV, nothing herein shall limit the right of an Owner whose property is damaged by another Owner or his agents or employees to assert any appropriate claim for relief or damages.

9.5 Design Review Committee. The Board may appoint a Design Review Committee to assist the Board in adopting rules and criteria, and implementing this Article IX.

ARTICLE X EASEMENTS

10.1 Easement Appurtenant. Perpetual easements for the use and enjoyment of the Common Ground are hereby established appurtenant to all Lots for use by the Owners thereof, their families, guests and invitees.

10.2 Easements in Gross. The Property shall be subject to a perpetual easement in gross to the Association for ingress and egress, to perform its obligations and duties as required by the Documents.

10.3 Driveway, Walkway and Utility Easement. Easements as shown on the Plat are established and dedicated for streets and roads, sewers, electricity, gas, water and telephones and for all other public utility purposes, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, drainage, gas mains, telephone wires and equipment and electrical conduits and wires on the Common Ground.

10.4 Effect of Easements. All easements and rights herein established shall run with the land and inure to the benefit of and be binding on the Association, its successors and assigns, and any Owner, purchaser, mortgagee, holder of a Security Interest, or other person having an interest in any portion of the Property herein described, whether or not such easements are mentioned or described in any deed of conveyance.

ARTICLE XI

PERSONS AND LOTS SUBJECT TO DOCUMENTS:

COVENANT AGAINST PARTITION

11.1 Documents Binding. All Owners, residents, tenants, mortgagees and occupants of Lots shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Lot constitutes agreement that the provisions of the Documents are accepted and ratified by such Owner, tenant, mortgagee or occupant, and all such provisions recorded in the Office of the Recorder of Deeds, St. Louis County, Missouri, are covenants running with the land and shall bind any Persons having at any time any interest or estate in such Lot.

11.2 Covenant Against Partition. So long as the Property is subject to this Indenture, each Lot and the allocated interest of such Lot shall not be separate.

ARTICLE XII

AMENDMENTS

12.1 General. This Indenture may be amended or modified only by vote or agreement of the Owners to which at least a majority of the votes in the Association are allocated.

12.2 Limitation of Challenges. No action to challenge the validity of an Amendment adopted by the Association pursuant to this Article may be brought more than one year after the Amendment is recorded.

12.3 Recordation of Amendments. Each Amendment to this Indenture must be recorded in St. Louis County, Missouri and the Amendment is effective only upon recording.

12.4 Execution of Amendments. An Amendment to this Indenture must be executed on behalf of the Association by the President and certified by the Secretary.

12.5 Board Amendments. Notwithstanding anything to the contrary, the Board is authorized to amend this Indenture correct drafting errors or to bring the Association into compliance with conditions imposed by lenders providing governmental insured loans.

ARTICLE XIII

CONDEMNATION

13.1 Acquisition of Lot. If a Lot is acquired by eminent domain, or if part of a Lot is acquired by eminent domain leaving the Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Indenture, the award shall compensate the Owner for his Lot and its allocated interests, whether or not any Common Ground is acquired. Upon acquisition, unless the decree otherwise provides, that Lot's allocated interests are automatically reallocated to the remaining Lots, but the allocated interests in Section 2.5 shall not be modified. Any remnant of a Lot remaining after part of a Lot is taken is thereafter part of the Common Ground.

13.2 Reallocations. Except as provided in Section 13.1, if a part of a Lot is acquired by eminent domain, the award shall compensate the Owner for the reduction in value of the Lot and its interest in the Common Ground, whether or not any Common Ground is acquired.

13.3 Acquisition of Common Ground. In the event any public agency acquires all or any part of the Common Ground, the Association is hereby authorized to negotiate with such agency for such acquisition and to execute instruments necessary to that purpose; only the Association need be made party, and any proceeds received shall be paid to the Association.

13.4 Recording. The court decree shall be recorded in St. Louis County, Missouri.

ARTICLE XIV

TERMINATION OF SUBDIVISION

14.1 Agreement to Terminate. Except in the case of a taking of all the Property by eminent domain, the Subdivision may be terminated or sold only by agreement of the Owners to which at least eighty percent (80%) of the votes in the Association are allocated. In the event of termination, fee simple title to the Common Ground shall vest in the then record Owners of the Lots, as tenants in common subject to this Indenture. None of the authority of the Association or Board shall be affected by such termination. No such agreement of termination or sale shall be effective unless made and recorded at least one (1) year in advance of the effective date of such termination or sale, and unless written notice of the proposed agreement of termination or sale is sent to every Owner at least ninety (90) days in advance of any action taken.

14.2 Term. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Indenture shall run with the land and bind the Property until the Subdivision is terminated or sold, or taken by eminent domain. The rights of the Owners shall only be exercisable and appurtenant to and in conjunction with their Lot ownership.

ARTICLE XV
RELIEF AND REMEDIES

In addition to any relief and remedies provided in this Indenture:

15.1 Relief Attorney's Fees. In the event of any dispute or claim between or among Owners, or between an Owner or Owners and the Association (including its Board, directors and officers), or if any person subject to the Documents fails to comply with any provision of the Documents, the Association and any persons or class of persons adversely affected thereby has a claim for appropriate relief. Punitive damages may be awarded in the case of a willful, wanton and malicious failure to comply with any provision of the Documents. The Association shall be entitled to recover reasonable attorney's fees, paralegal fees, court costs and expenses incurred in such action.

15.2 Mediation. Except as may be preempted by state or federal law, and except for collection of any delinquent assessment, the parties to a dispute, claim, or failure to comply under Section 15.1, as a condition of initiating a judicial proceeding, shall submit such matter to mediation in accordance with the rules of the American Arbitration Association or any other rules mutually agreed upon by the parties.

ARTICLE XVI
GENERAL PROVISIONS

16.1 Validity.

(a) All provisions of this Indenture are severable.

(b) The Documents are intended to comply with the requirements of Chapter 355, Mo. Rev. Stat. In the event of any conflict between the Documents and the provisions of the statute, the provisions of the statute shall control. In the event of any conflict between this Indenture and any other document, this Indenture shall control.

16.2 Construction. The provisions of this Indenture shall be liberally construed to effectuate its purpose of operating a first-class residential community and establishing a uniform plan for the effective operation of the Subdivision and governance of the Association. Whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of plural shall include the singular and the singular shall include the plural.

16.3 Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents nor the intent of any provision thereof.

16.4 Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur. The Board shall not be held responsible for breach of duty in the event the Board upon a

determination of the facts and circumstances in a particular case elects to waive the enforcement of the strict compliance with the Documents upon a determination having been made and documented in writing in the minutes of a regular or special meeting of the Board that prosecution or enforcement would not serve the best interests of the Association.

16.5 Governmental Compliance. Notwithstanding any conditions herein, the Board shall make suitable provisions for compliance with all applicable Ordinances and Rules and Regulations of the City of Chesterfield or its successor, or such municipality which the Subdivision may become a part, and for such purposes it shall not be limited to any maximum assessment.

16.6 Effective Date. This Indenture shall be effective upon its approval by the requisite percentage of Owners, execution hereof by the authorized officers, and upon the written consent of the Director of Planning of St. Louis County, and recordation in the official records of the Recorder of Deeds of St. Louis County, Missouri, and shall be applicable to events and circumstances occurring after said effective date.

The Owners hereby authorize the Trustees of the Subdivision to execute and record this instrument on their behalf upon obtaining the requisite Owner approval.

IN WITNESS WHEREOF, the Trustees of Baxter Lakes Addition Number Two Subdivision hereby certify that at least fifty percent (50%) of the Owners of Lots in Baxter Lakes Addition Number Two Subdivision have approved the foregoing instrument in writing, and hereby execute this Indenture this 15TH day of MARCH, 1999.

THE TRUSTEES OF BAXTER LAKES ADDITION
NUMBER TWO SUBDIVISION

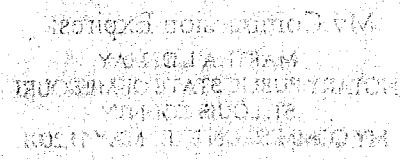
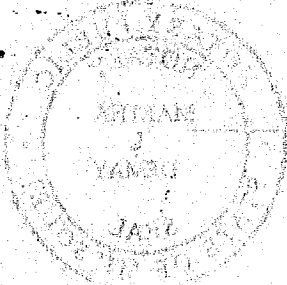
BY: [Signature]
Trustee Gary A. Shannon

BY: [Signature]
Trustee James J. Lister

BY: [Signature]
Trustee J. Bart Smith

BY: [Signature]
Trustee Charles B. Gentry

BY: [Signature]
Trustee Michael A. Gulick



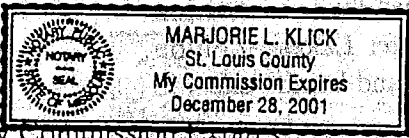
Approved this 29 day of June, 1999

Teresa J Price
Director of Planning, City of Chesterfield

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

On this 15th day of MARCH, 1999, before me appeared Gary A. Shannon, James J. Lister, J. Bart Smith, Charles B. Gentry, and Michael A. Gulick, to me personally known, who, being by me duly sworn, did say that they are the Trustees of Baxter Lakes Addition Number Two Subdivision, and that said instrument was signed on behalf of said Trustees, and that they acknowledged said instrument to be their free act and deed.

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



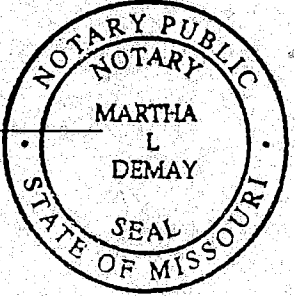
Marjorie L. Klick
Notary Public

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

On this 29th day of June, 1999, before me appeared TERESA PRICE to me personally known, who, being by me duly sworn, did say that he/she is the Director of Planning for City of Chesterfield and that said instrument was signed on behalf of said corporation, and that they acknowledged said instrument to be his free act and deed.

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

Martha L. Demay
Notary Public



My Commission Expires:
MARTHA L DEMAY
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP MAY 11, 2001

Rev. 9/17/98

BY-LAWS OF
BAXTER LAKES ADDITION NUMBER TWO HOMEOWNERS' ASSOCIATION

BY-LAWS OF
BAXTER LAKES ADDITION NUMBER TWO HOMEOWNERS' ASSOCIATION

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BY-LAWS OF
BAXTER LAKES ADDITION NUMBER TWO HOMEOWNERS' ASSOCIATION

ARTICLE I
MEMBERSHIP, OFFICES, APPLICABILITY, DEFINITIONS

1.1 **Name**. The name of the Association shall be Baxter Lakes Addition Number Two Homeowners' Association, a nonprofit corporation under the Nonprofit Corporation Act of the State of Missouri.

1.2 **Membership**. The members of the Association shall consist of the Lot Owners in accordance with their ownership interests as provided in the Restatement of Indenture of Restrictions for Baxter Lakes Addition Number Two Subdivision ("Indenture"), recorded in the Office of the Recorder of Deeds of St. Louis County, Missouri, Book 12192, Page 0003. 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 in his Lot, his membership in the Association shall automatically be transferred to the Owner succeeding to such ownership interest.

1.3 **Office**. The principal office of the Association shall be located in the Subdivision as determined by the Board.

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

1.5 **Definitions**. The definitions of words and terms contained in the Indenture shall apply to these By-Laws.

ARTICLE II
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 as designated by the Board.

2.2 **Annual Meetings**. The annual meeting of the Association shall be held during the month of October of each year, or as soon thereafter as practical.

2.3 **Special Meetings**. Special meetings of the Association may be called by the Board or upon a petition signed by the Owners at least twenty percent (20%) of the Lots. 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 shall mail or cause to be delivered to each member 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; if a member wishes notice to be given at an address other than his Lot, he shall have designated by notice in writing to the Secretary such other address. 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 ten (10) nor more than sixty (60) days before a meeting.

2.5 Waiver of Notice. Waiver of notice of meeting of the members shall be deemed the equivalent of proper notice. Any member may waive notice in writing or by attendance at a meeting, whether in person or by proxy.

2.6 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. Notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

2.7 Voting. The voting rights of the members shall be as set forth in the Indenture.

2.8 Proxies. Each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member or upon the expiration of eleven (11) months from the date of the proxy.

2.9 Quorum. Except as otherwise provided in the Documents, the presence at the beginning of any duly called meeting, in person or by proxy, of Owners of ten percent (10%) of the Lots shall constitute a quorum at all meetings of the Association.

2.10 Vote Necessary for Action. The approval of a majority of the votes entitled to be cast by the members present at a meeting at which a quorum is present, shall be necessary to adopt any matter voted upon by the members, unless a different proportion is required by the Documents.

ARTICLE III

BOARD OF TRUSTEES: NUMBER, POWERS, MEETINGS

3.1 Governing Body. The affairs of the Association shall be governed by a Board of Trustees ("Board"). The Trustees shall be Owners elected by the Owners pursuant to this Indenture.

3.2 Number of Board Members. The Board shall consist of five (5) members, which may be changed pursuant to Section 8.6 of these By-Laws, but shall not be less than three (3) members.

3.3 Election. Members of the Board shall be elected at the annual meeting. Any tie shall be broken by lot or by a new vote between the persons engaged in such tie.

3.4 Term. Board members shall serve terms of three (3) years each, which terms shall be staggered, with one-third of the members elected annually. Each member shall serve the term for which he is elected and until his successor shall have been elected and qualified.

3.5 Removal of Board Members. At any regular or special meeting of the Association duly called at which a quorum is present, any one or more of the members of the Board may be removed, with or without cause, by a two-thirds vote of all Owners present and entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board who has three (3) unexcused absences from Board meetings within any year or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the Board at a meeting, a quorum being present.

3.6 Vacancies. In the event any member of the Board shall cease to be an Owner, die, resign, decline to act, or become unable for any reason to discharge his duties, the term of such member shall be deemed terminated, and the remaining members of the Board shall appoint an Owner to fill such vacancy for the unexpired portion of such term and until his successor shall have been elected or qualified.

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

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board. Notice of time and place of each meeting shall be communicated to members of the Board not less than four (4) days prior to the meeting.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President, Vice President, or Secretary. The notice shall specify the time and place of the meeting and the business to be considered, and shall be given by personal delivery, telephone, or telegraph at least twenty-four (24) hours before the time set for the meeting.

3.10 Waiver of Notice. 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 Board members not present sign a written waiver of notice, a consent to holding the meeting, or an approval of the minutes.

3.11 Quorum of Board. A majority of the members of the Board, present at the beginning of any Board meeting, shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board.

3.12 Compensation. No Board member shall receive any compensation, except that a Board member shall be entitled to reimbursement for actual and reasonable expenses incurred on behalf of the Association.

3.13 Open Meetings. All meetings of the Board shall be open to all members of the Association. Members shall be entitled to address the Board during a designated portion of the meeting.

3.14 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE IV POWERS AND DUTIES OF THE BOARD

4.1 Powers and Duties. 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 Documents directed to be done and exercised exclusively by the members. In addition to the powers and duties imposed by the Documents, the Board shall have the following powers and duties, which are by example and not intended to be limiting:

(a) prepare and adopt an annual budget, as follows: the Board shall estimate the total amount which it anticipates will be required to pay the Common Expenses during the ensuing calendar year and shall furnish a written summary to each Owner as to the amount of such estimate, and shall set a date for a meeting of the Owners to consider ratification of the budget, which shall be not less than fourteen (14) nor more than thirty (30) days after mailing of the summary, pursuant to Section 7.3 of the Indenture.

(b) establish procedures for collecting assessments;

(c) deposit receipts in a bank depository, and use the proceeds to administer the Association; reserves shall be maintained in a segregated account;

(d) maintain bank accounts on behalf of the Association in government insured accounts and designate the signatories required; all expenditures shall require approval of at least two Board members;

(e) keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred, which shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board. All books and records shall be kept in accordance with generally accepted accounting practices, and preserved for a period of at least three (3) years;

(f) make available to any prospective purchaser of a Lot, any Owner, any holder of a Security Interest and the holders, insurers, and guarantors of a first mortgage on any Lot current copies of the Documents, and all other books, records and financial statements of the Association, and to recover the reasonable costs incurred herein;

(g) permit utility suppliers to use the Common Ground reasonably necessary to the ongoing operation of the Subdivision;

ARTICLE V OFFICERS

5.1 Officers. The officers of the Association shall be a President, Secretary and Treasurer. The Board may elect such other officers, including a Vice-President and 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.

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. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

5.3 Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

5.4 Powers and Duties. The officers of the Association 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 Treasurer shall prepare the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall maintain the official Documents, minutes and other records of the Association.

5.5 Resignation. Any officer may resign at any time by giving written notice to the President or the Secretary.

5.6 Agreements, Contracts, Deeds, Leases, Checks. Any amendment to the Restatement or Plat, assessment lien, agreement, contract, deed, lease, check, and other instrument of the Association shall be executed by the President and Secretary, or by at least two (2) other officers or by such other persons or person as may be designated by resolution of the Board.

ARTICLE VI
RIGHTS TO COMMENT AND HEARING

6.1 Right to Notice and Comment. Before the Board adopts or amends Rules, or considers an application for Alterations under Article IX of the Indenture, or at any other time required by the Indenture, the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Owner in the manner provided in the By-Laws, or published in a newsletter or similar publication which is routinely circulated to all Owners and residents.

5.2 Right to Notice and Hearing. Whenever the Documents require that an action be taken after "notice and opportunity to be heard," the following procedure shall be observed: The party proposing to take the action (e.g., the Board, committee, or managing agent) shall give written notice of the proposed action to all Owners or occupants of Lots whose interest would be significantly affected by the proposed action and a hearing shall be held.

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (1) the alleged violation;
- (2) the action required to abate the violation; and
- (3) a time period, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At the time the demand is served or at any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Board's designated committee in executive session. The notice shall contain:

- (1) the nature of the alleged violation;
- (2) the time and place of the hearing;

(3) a request to attend the hearing and produce any statement, evidence and witness on his or her behalf; and

(4) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session and afford the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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, Board member, or agent who delivered such notice. The notices requirement shall be deemed satisfied if the alleged violator 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.

(d) Appeals. Any person having a right to notice and opportunity to be heard shall have the right to appeal to the Board from a decision of any committee or managing agent by filing a written notice of appeal with the Board within ten (10) days after being notified of the decision. The Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE VII INSURANCE; DAMAGE OR DESTRUCTION

7.1 Required Coverage. The Association shall maintain, to the extent reasonably available and with such coverages as the Board, in its discretion, may determine reasonable:

(a) Property insurance covering any improvements on the Common Ground, for broad form covered causes of loss. The total amount of insurance shall be not less than the full insurable replacement cost of the insured property, less the applicable deductibles, at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(b) General liability insurance against claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of the streets and Common Ground in an amount sufficient in the judgment of the Board, insuring the Board, the Association, the management agent (if any), and their respective employees, agents and all persons acting as agents. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of the Common Ground. The insurance shall cover claims of one or more insured parties against other insured parties; and

(c) Directors' and officers' liability insurance against claims and liabilities arising in connection with the Board's decisions, acts, and omissions. Such insurance shall include nonmonetary defense; and

(d) Fidelity insurance in an amount not less than one (1) year's current assessments plus reserves calculated from the current Association budget. Any person who independently contracts with the Association for the purposes of managing the Association shall obtain and maintain fidelity insurance in an amount not less than the amount specified in the preceding sentence, unless the Association names such person as an insured employee in the Association's fidelity insurance policy; for the purposes herein, such coverage shall include, but not be limited to, employees of a professional manager. The Association may carry fidelity insurance in amounts greater than required herein, and may require said independent contractor to carry fidelity insurance coverage in amounts greater than required herein.

7.2 Additional Coverages. The Association may carry any other insurance it considers appropriate to protect the Association, Board or Owners, or Association assets or property.

7.3 Unavailability or Cancellation. If any insurance described in Section 7.1 is not reasonably available, or if there is a material change or cancellation, the Association promptly shall cause notice of that fact to be sent to all Owners.

7.4 Required Insurance Provisions. Insurance policies carried pursuant to subsections 7.1(a) and (b) shall provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of his interest in the Common Ground or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Owner or member of his household;

(c) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(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.

7.5 Adjusting Losses. Any loss covered by the property policy under subsection 7.1(a) shall be adjusted with the Association. The insurance proceeds for such loss are payable to the Association, and not to any holder of a Security Interest. The Board, on behalf of the Association, shall hold any insurance proceeds in trust for the Association, Owners, and lien holders as their interest may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged property, and 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 property has been completely repaired or restored, or the Subdivision is terminated.

7.6 Owner Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for his own benefit.

7.7 Notice of Cancellation. An insurer issuing any policy under Section 7.1 or 7.2 shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or holder of a Security Interest. Unless otherwise provided by statute, 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 and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. The foregoing provision shall apply to any cancellation or refusal to renew the policy, except by reason of nonpayment of premiums, in which event the insurer shall provide a ten (10) day notice as otherwise stated herein.

7.8 Premiums. Premiums and other expenses for insurance obtained by the Association are Common Expenses and shall be allocated pursuant to the Indenture.

ARTICLE VIII MISCELLANEOUS

8.1 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless changed by resolution of the Board.

8.2 Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order shall govern the conduct of Association proceedings when not in conflict with Missouri law or the Documents.

8.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Missouri law, Articles of Incorporation, Indenture, and these Bylaws, the provisions of Missouri law, the Indenture, the Articles of Incorporation, and the Bylaws (in same order) shall prevail.

8.4 Books and Records.

(a) Inspection by Members. The membership register, books of account, and minutes of meetings of the members, the Board, and committees shall be made available for inspection and copying by any member of the Association or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a member at the office of the Association or at such other place within the Property as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules for notice to be given to the custodian of the records by the member desiring to make the inspection, and payment of the cost of reproducing copies of documents requested by a member.

(c) Inspection by Board Members. Every member of the Board 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, including the right to make extracts and copies of documents at the expense of the Association.

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

(a) if 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 Lot of such Owner; or

(b) if to the Association, the Board, or managing agent, at the principal office of the Association or 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.

8.6 Amendment. These Bylaws may be amended only by a vote or agreement of a majority of all the members of the Association.

8.7 Financial Review. A review of the accounts of the Association shall be made annually in the manner as the Board may decide; provided, however, after having received the Board's review at the annual meeting, the Owners, by a majority vote, may require that the accounts of the Association be audited as a Common Expense by a public accountant. Upon written request of any Eligible Mortgagee, the Board shall furnish a copy of the annual financial statement within ninety (90) days after the end of that fiscal year.

ATTESTATION

The undersigned President of Baxter Lakes Addition Number Two Homeowners' Association, a Missouri nonprofit corporation, does hereby certify that the members of the Association have approved the foregoing Bylaws and hereby adopt the same as the Bylaws of said Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of March, 1999

BAXTER LAKES ADDITION NUMBER TWO
HOMEOWNERS' ASSOCIATION,
a Missouri nonprofit corporation

BY: Charles D. Huntley
President

Attest:
James J. Hale
For Secretary Treasurer