BYLAWS OF

CHARLESTON PLACE PROPERTY OWNER'S ASSOCIATION, A MISSOURI NOT FOR PROFIT CORPORATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is Charleston Place Property Owner's Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 720 Wicker Lane, Jefferson City, Missouri, but meetings of members and directors may be held at such places within the State of Missouri, County of Cole, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Charleston Place Property Owner's Association, its successors and assigns.

Section 2. "Premises" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all land within the premises except dedicated streets and "Lots" as hereinafter defined.

Section 4. "Lot" shall mean the tracts of land designated by a number, or in the case of a tract upon which a Townhouse is built, "Lot" means that real estate designated by a number and a letter on the recorded plat, any subsequent plat or survey of land for which these covenants are made effective.

Section 5. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Premises including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Developer" shall mean and refer to Charleston Place Development Company, a Missouri Partnership, its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Premises recorded in the Office of the Recorder of Deeds of Cole County, Missouri, at Jefferson City.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote and addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to case, one-fifth (1/5) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors consisting of three (3) persons elected by a majority of the Owners, except during the period of Developer control. Each person on the Board shall hold office for the term of one (1) year and until his successor shall be elected and qualified.

Section 2. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 3. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may case, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Annual Meeting. An annual meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of the members, for the purpose of electing the officers of the Association and for the transaction of such other business as may come before the meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 4. Quorum. A majority of the number of directors shall constitute a quorum f or the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Association shall have the power to do the following:

(a) Adopt and amend By-Laws and Rules and Regulations.

(b) Adopt and amend budgets for revenues, expenditures, reserves, and collect Assessments for common expenditure.

(c) Hire and terminate managing agents and other employees, agents and independent contractors.

(d) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Premises.

(e) Make contracts and incur liabilities including, without limitation, contracts for the repair and maintenance of the Premises and day-to-day administration of the Association.

(f) Regular the use, maintenance, repair, replacement and modification of the Premises.

(g) Cause additional improvements to be made as part of the Premises.

(h) Acquire, hold, encumber and convey in its own name or in the name of any nominee, any right, title or interest to real personal property.

(i) Grant easements, leases, licenses, and concessions through and over the Common Area.

(j) Impose and receive any payments, fees or charges for the use, rental, operation of the Common Area and Services provided to Owners.

(k) Impose charges for late payment of Assessments and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, By-Laws, and Rules and Regulations of the Association.

(l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments.

(m) Provide for the indemnification of its officers and Executive Board and maintain directors and officers liability insurance.

(n) Assign its rights to future income including the right to receive Assessments.

(o) Exercise any other powers necessary and proper for the management and operation of the Association.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(d) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period; and

(e) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring any action at law against the Owner personally obligated to pay the same.

(f) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(h) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(i) cause the Common Area as provided in the Declaration to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of

Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

Section 1. Budget. The Board of Directors at its annual meeting shall adopt two proposed budgets; one to be known as the Subdivision Budget and the other to be known as the Townhouse Budget. The Subdivision Budget shall estimate the total amount necessary to cover all anticipated Common Expenses for the Subdivision for the ensuing fiscal year, including but limited to the cost of wages, materials, insurance, repairs, services, supplies, and any other work which will be required for the rendering of all services and the performance of all the powers and duties of the Board of Directors, together with a reasonable amount considered by the Board to be necessary for a reserve for unforeseen contingencies, working capital, and repair or replacement of the Common Area which is common to the entire Subdivision.

The Townhouse Budget shall estimate a total amount necessary to cover all anticipated Common Expenses required for the maintenance of Townhouse Common Areas, as defined in Article XV of the Amendment to Declaration of Covenants, Conditions and Restrictions for Charleston Place Development Company, recorded in Book 381, at page 916, in the Office of the Recorder of Deeds of Cole County, Missouri. This budget shall estimate those expenses for the ensuing fiscal year, including but not limited to the cost of wages, materials, insurance, repairs, services, supplies, and any other work which will be required for the rendering of all services and the performance of all the powers and duties of the Board of Directors, together with a reasonable amount considered by the Board of Directors to be necessary for a reserve for unforeseen contingencies, working capital, and repair or replacement of the Townhouse Common Area.

Within thirty (30) days after adoption of the proposed Subdivision Budget, or the proposed Townhouse Budget, the Board shall provide a summary of the Subdivision Budget to all owners and a copy of the Townhouse Budget to all Townhouse Owners and shall set a date for a meeting of the affected Owners to consider ratification of the Budget which date shall not be less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of affected Owners reject the budget, the budget shall be ratified whether or not a quorum is present. In the event the proposed budget is rejected, the budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget.

<u>Section 2</u>. <u>Assessments</u>. All Owners of Lots located within Charleston Place Subdivision, including Owners of Townhouses will be assessed to obtain the funds necessary to meet the Subdivision Budget of the Association which shall be paid from time to time as determined by the Association. These funds

will be assessed in order to meet the budget for maintaining all Common Areas except Townhouse Common Areas as defined in Article XV of the Amendment to Declaration of Covenants, Conditions and Restrictions for Charleston Place Development Company, recorded in Book 381, at page 916, in the Office of the Recorder of Deeds of Cole County, Missouri. Owners of a Lot upon which a Townhouse is situated will be assessed to obtain the funds necessary to meet the Townhouse Budget of the Association for the maintenance of the Common Area surrounding the Townhouses, as defined in Article XV of the Amendment to Declaration of Covenants, Conditions and Restrictions for Charleston Place Development Company, recorded in Book 381, at page 916, in the Office of the Recorder of Deeds of Cole County, Missouri. The Assessment to the Owners of Townhouses for the Townhouse Budget shall be in addition to the Assessment made for the Subdivision Budget. The Assessments will be made on an annual basis provided however payment of the Assessment shall be made in installments as determined by the Board of Directors. The Board of Directors shall be authorized to establish the date by which such installments are due. Each Owner of real estate in the Subdivision will be responsible for payment of that percentage of the total annual Subdivision Budget which is arrived at by dividing one by the total number of Lots located in the premises. In addition, each Owner of a Townhouse will be responsible for payment of that percentage of the total annual Townhouse Budget which is arrived at by dividing one by the total number of Lots on which Townhouses are located. Any past due Assessment or installment thereof shall bear interest at a rate not exceeding eighteen percent (18%) per year.

Section 3. Special Assessments. In the event that insufficient funds are budgeted for any given fiscal year for expenses as provided in Section 1 hereof, the Board may also levy a special assessment to make up for the budget deficit. Any special assessment will be payable by Owners either in a lump sum or in installments, as the Board shall determine in accordance with Section 6 hereof.

Section 4. Maintenance Fund. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures and replacements which are not originally included in the annual budget and which may become necessary during the year, shall be charged first against such reserve. If the amount budgeted to cover the anticipated common expenses of the Premises proves inadequate for any reason, the Association shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further Assessment shall become effective following the delivery or mailing of such notice of further Assessment. All Owners shall be obligated to pay the amount either in a lump sum or in installments, as the Board shall determine in accordance with Section 6 hereof.

Section 5. Surplus Funds. Any surplus funds of the Association remaining after payment or provision for expenses and prepayment of reserves shall be paid to the Lot Owners in proportion to their expense liability or credited to them to reduce their future Assessments.

Section 6. Nonpayment of Assessments. All of the amounts assessed against a Lot shall give rise to a lien on that Lot. If the Assessments are not paid when due, the Association may bring an action at law against the Owner personally obligated to pay the same or perfect the lien by recording a Memorandum of Lien in the County land records. The Lot Owner cannot dispose of his Lot fee of the lien until the lien is satisfied by payment of the Assessments secured by the lien. The Association may obtain payment of past due Assessments by foreclosure of the lien (resulting in a forced sale of the Lot) or by suing the Lot Owner. In addition, in case payment of any amounts assessed against a Lot shall not be paid when due and the same is placed in the hands of an attorney for collection, Owner shall be liable for Association's attorney's fee and all other costs of collection.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: **CHARLESTON PLACE PROPERTY OWNER'S ASSOCIATION.**

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

Section 1. The fiscal year of the Association shall be determined by the Board of Directors at the first annual meeting of the Board.

The foregoing provisions were adopted as the Bylaws of Charleston Place Property Owner's Association, a not for profit Missouri corporation, under the laws of the State of Missouri, at a duly noticed meeting of the Board of the Association at which all Directors were present, by the unanimous vote of the Directors on the _____ day of ____________, 1996.