

**LAKE SHERWOOD ESTATES
ASSOCIATION**

ANNOTATED CODE

**DECLARATION OF RESTRICTIONS
AS AMENDED**

Compiled December 2008

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PREFACE AND USER GUIDE

Preface: The Declaration of Restrictions is a remarkably robust document. Its strength is like that of the Constitution. It is based upon the assumption that the governing documents of democratic institutions find their strength in the implied powers they offer those who govern and those who are governed. Implied powers are critical for they are to develop governance from a system of evolution as opposed to revolution, anarchy, or archaic clinging to the past. Most importantly, implied powers assume an active and informed “body” politic” acting in good faith. Consequently, the Restrictions are living document.

Since originally crafted in 1967, the Restrictions have been amended eight times. Those amendments are actually sets of groups of amendments. As the table below illustrates, 30 amendments have been passed since 1978.

Table 1: Amendments to Declaration of Restrictions

Year	Issue Addressed by Modification
1978	Legal Description Added
	Article 1 amended to designate lots allowed for commercial use
	Article 4 amended to clarify required set backs of residences
	Article 6 amended to increase scope of ACC oversight
	Article 7 amended to clarify Board oversight of ACC
	Article 8 amended to allow commercial activity on designated lots
	Article 15 amended to allow certain types of signage
	Article 33 amended to allow automatic extension of restrictions and 2/3 vote to terminate them
1991	Article 36B added empowering Board to configure land owned by LSEA and its subsidiary, LSSC
1994	Article 38 added - language defining member in good standing
	Article 38 added – language allowing modifications/amendments to Restrictions upon a majority vote of members in good standing at a duly called meeting
1995	Article 38 B added – language affirming territorial jurisdiction of LSEA.
	Article 1B added – language affirming LSEA as successor to and synonymous with “Homeowners Association”.
	Article 10 – added affirming that Board may regulate or prohibit parking on ALL property in Lake Sherwood, including private lots
	Article 3 amended to require increased minimum square footage for residences
	Article 24 B added affirming that assessments and charges constitute a personal liability for the lot owner
	Article 31B added affirming Board’s authority to promulgate, interpret, and enforce rules and regulations
1996	Article 5 amended to allow vinyl siding as material for an exterior wall
	Article 22 amended to increase life of liens levied on delinquent accounts
2006	Article 5 amended to allow fiber cement siding as material for an exterior wall
	Article 6 amended to allow for an appeal process to Board if owner feels aggrieved by ACC
	Article 20 amended to clarify rights of membership for those who are members in good standing
	Article 24 amended to affirming Board’s responsibility for establishing annual budget, setting assessments and user fees and the collection there of.
	Article 24B amended to affirm personal liability for the payment of fees due LSEA
	Article 40 added to affirm Board’s responsibility for oversight of maintenance of individual lots for the purpose of maintaining property values
	Article 41 added affirming the right of the Board to apply to establish a Community Improvement District
	Article 42 added affirming the requirement that the Board use recognized and established financial practices as set forth by CAI and AICPA

2008	Article 24 amended to clarify and details collections, expenses and limitations of yearly expenditures
2008	Article 37 amended to permit acquisition of property outside existing boundaries of association

The amendments may be placed under one of the following categories:

- Zoning
- Board Authority
- Amending Restrictions
- Membership
- Collections

The table below presents the distribution, per year, of the five types or categories of amendments:

Table 2: Types of Amendments to LSEA Declaration of Restrictions by year

Type of Amendment	Year Passed	Number of Modifications
Zoning	1978	6
	1995	1
	1996	1
	2006	1
	<i>Total This Type</i>	9
Board Authority	1978	1
	1991	1
	1995	5
	2006	5
	2008	1
<i>Total This Type</i>	13	
Amendments to Restrictions	1978	1
	1994	1
	<i>Total This Type</i>	2
Membership	1994	1
	2006	1
	<i>Total This Type</i>	2
Collections	1995	1
	1996	1
	2006	2
	2008	1
	<i>Total This Type</i>	5
<i>GRAND TOTAL</i>		30

This document is intended to be more user friendly. With that intent, the articles below include the amended language which currently governs LSEA. Thus new members can be provided a copy of the most current language that they will need. Upon request, the original restrictions, with each of the 28 different amendments that have been passed, are available at the office. The document has the individual lines numbered as well to assist members with identifying the particular language with which they may need assistance.

LAKE SHERWOOD ESTATES
Declaration of Restrictions

THE GRANTEE OR GRANTEES COVENANT FOR ITSELF, HIMSELF, HERSELF, OR THEMSELVES, AND IT, HIS, HERS, OR THEIR HEIRS, SUCCESSORS AND ASSIGNS, THAT THE REAL PROPERTY CONVEYED SHALL BE OWNED, POSSESSED, CONVEYED, TRANSFERRED, AND SOLD SUBJECT TO THE FOLLOWING RESTRICTIONS, COVENANTS, RESERVATIONS, EASEMENTS, AND OTHER LIMITATIONS UPON THE USE AND OCCUPANCY OF THE PROPERTY, PARTICULARLY, WITH RESPECT TO THE USE OF THE LAND AND BUILDINGS ERECTED OR TO BE ERECTED THEREON.

KNOW ALL MEN BY THESE PRESENTS, that

WHEREAS, the undersigned SHERWOOD CORPORATION, a Missouri Corporation, hereinafter called the Developer, is the Developer of the following described real property, situated in the County of Warren, State of Missouri, to-wit:

"All of the lots and parcels of land in LAKE SHERWOOD ESTATES, Warren County, Missouri, as according to the Plat thereof recorded in the Recorder's Office, Warren County, Missouri, in Plat Book 2 , at page 54

WHEREAS, the Developer is now developing the said property into an outstanding residential community, and it is its desire to continue the development of said property for such purposes, and for the creation and maintenance of a residence neighborhood possessing features of more than ordinary value to a residence community, and

WHEREAS, the Developer desires to assist its grantees in providing the necessary means to better enable it and its grantees to accomplish this purpose.

NOW, THEREFORE, in consideration of the premises, the Developer does hereby subject all of the lots and parcels of land hereinabove described and the grantee and all grantees do hereby accept to the following covenants, charges, and assessments, subject to the limitations hereinafter set forth.

EXHIBIT A
Legal Description of Lake Sherwood

A tract of land being the Northeast Quarter of Section 11 and the Southeast Quarter of Section 11 and the Northwest Quarter of Section 12, and the Southwest Quarter of Section 12 and the Southwest Quarter of the Northeast Quarter of Section 12 and the Northwest Quarter of the Southeast Quarter of Section 12 and the Southwest Quarter of the Southeast Quarter of Section 12 and the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 12 and the North Quarter of the Northwest Quarter of Section 13 and the Northeast Quarter of the Northeast Quarter of Section 14, all in Township 45 North, Range 1 West, and described as follows:

Beginning at an old axle at the Northeast corner of said Southeast Quarter of the Northeast Quarter of Section 12; thence along the range line as follows: South 2 degrees 45 minutes 14 seconds West 1382.56 feet; thence South 2 degrees 19 minutes 25 seconds West 1321.83 feet; thence North 88 degrees 36 minutes 25 seconds West along the South line of said Northeast Quarter of Southeast Quarter of Section 12, 1365.13 feet; thence South 1 degree 49 minutes 59 seconds West along the East line of said Southwest Quarter of the Southeast Quarter of Section 12, 1345.16 feet; thence North 89 degrees 19 minutes 41 seconds West along the South line of said Southwest Quarter of the Southeast Quarter of Section 12, 1328.79 feet; thence South 3 degrees 42 minutes 44 seconds West along the East line of said Northeast Quarter of the Northwest Quarter of Section 13, 1368.97 feet to an old rock at the Southeast corner of said Northeast Quarter of the Northwest Quarter of Section 13; thence North 88 degrees 36 minutes 22 seconds West 3925.68 feet to the Southwest corner of said Northeast Quarter of the Northeast Quarter of Section 14; thence North 3 degrees 42 minutes 44 seconds East 1368.97 feet to the Northwest corner of said Northeast Quarter of the Northeast Quarter of Section 14; thence North 83 degrees 03 minutes 26 seconds West 1324.14 feet to an old rock at the Southwest corner of said Southeast Quarter of Section 14; thence North 0 degrees 02 minutes East 2597.74 feet to the Northwest corner of said Southeast Quarter of Section 11; thence North 4 degrees 43 minutes East 2721.80 feet to an old, stone at the Northwest corner of said Northeast corner of said

Section 11; thence South 88 degrees 06 minutes 42 seconds East 2669.75 feet to a rock pile at the Northeast corner of said Northwest Quarter of Section 12; thence South 03 degrees 01 minutes 30 seconds West 1321.63 feet to a rock pile at the Southeast corner of said Northeast Quarter of the Northwest Quarter; thence South 88 degrees 59 minutes 15 seconds East 2636.40 feet to the place of beginning and containing 987.05 acres.

(Added 1978 as part of First Amendment)

ARTICLE 1
USE OF LAND

None of said lots may be improved, used or occupied for other than private residence purposes, and no flat nor apartment house, nor house trailer nor mobile home, although intended for residential purposes, may be erected thereon. Any residence erected or maintained on any of said lots shall be designed for occupancy by a single family. The foregoing provisions shall not apply to Lots 200 through 265 in Plat 9, the two lots designated "Church" in Plat 9 and the undesignated area in Plat 9 bounded on the north, in part, by Lot 224, bounded on the east by an alley adjoining Lots 231 and 226 and by Lot 915, bounded on the southeast by Lot 233, bounded on the south by Hearthstone Drive and a "Church" lot, bounded on the west by the easterly property line of Lots 200 through 215 and bounded on the northwest by a portion of the other "Church" lot. The foregoing lots are hereby designated as being available for commercial development.

(Amended 1978 as part of First Amendment)

ARTICLE 1 B
HOMEOWNERS' ASSOCIATION MEANS THE NOT-FOR-PROFIT CORPORATION OF
LAKE SHERWOOD ESTATES ASSOCIATION

At all times and in all places in the Declaration of Restrictions of Lake Sherwood Estates Association including any and all amendments thereto, when the term "Lake Sherwood Estates Homeowners' Association" or "Homeowners' Association" is used it shall mean the not-for-profit Corporation, Lake Sherwood Estates Association.

(Added 1995 as part of Fourth Amendment)

ARTICLE 2
PERMITTED HEIGHT OF RESIDENCES

Any residence erected on any of said lots shall not be more than two (2) stories in height, provided, that a residence more than two (2) stories in height may be erected on any of said lots with the written consent in writing of the Architectural Control Committee established below herein.

ARTICLE 3.
REQUIRED SIZE OF RESIDENCES

Any residences one (1) story in height erected on any lot within Lake Sherwood Estates shall contain a minimum of 1,400 square feet of living space; any residence of more than one (1) story in height erected on any lot within Lake Sherwood Estates shall contain a minimum of 1,250 square feet of living space on the ground floor, and a minimum of 1,600 square feet of total living space. The words "living space" as used herein shall mean and include in all cases, areas of the residence enclosed and finished for year-round occupancy, computed on outside measurements of the residence, and shall not mean or include any areas of basement, garage, porch or attic.

(Amended 1995 as part of Fourth Amendment)

ARTICLE 4.
SET BACK OF RESIDENCES FROM STREETS AND REAL AND SIDE PROPERTY LINES:

No part of any residence shall be located on any lot nearer than 10 feet to the right-of-way of a front or side street, nor, in the case of a lot adjacent to a lake, nearer than 30 feet to the property line adjacent to a lake, nor nearer than 10 feet to a side property line, nor nearer than 10 feet to a rear property line. However, a residence or part of any residence may be located on a lot nearer than the foregoing set back lines, with the written consent of the Architectural Control Committee.

Provided however, the following enumerated parts of any residence may project, for the distance shown, to the front, side and rear of and be nearer to the front streets, the side streets, side property line and rear property line than the front, side and rear building lines prescribed above, to-wit:

- a. Window Projections: Bay, bow or oriel, dormer and other projecting windows not exceeding one story in height may project beyond the front, side or rear building lines not to exceed two (2) feet.
- b. Miscellaneous Projections: Cornices, spoutings, chimneys, brackets, pilasters, grillwork, trellises and other similar projections and any other projections for purely ornamental purposes, may project
- c. beyond the front, side or rear building lines not to exceed two (2) feet.
- d. Vestibule Projections: Any vestibule not more than one story in height may project beyond front, side or rear building lines not to exceed two (2) feet.

- e. Porch Projections: Unenclosed, covered porches, balconies and porte corcheres may project beyond the front building line not to exceed six (6) feet.

(Amended 1978 as part of First Amendment)

ARTICLE 5. **EXTERIOR WALLS OF ALL RESIDENCES:**

The exterior walls of all residences shall be of brick, stone, stucco, wood shingles, wood siding, wood paneling, aluminum or vinyl siding, fiber cement siding, glass, or any combination thereof, and no other material shall be used as exterior walls or residences without the prior written consent of the Architectural Control Committee established below herein. No residence shall be permitted to stand with its exterior in an commencement of construction. In the event of fire, windstorm, or other damage the Owner shall restore the exterior walls of the residence within three (3) months in accordance with this Paragraph or within a time frame approved in writing by the LSEA Architectural Control Committee.

(Amended 1996 as part of Fifth Amendment)

(Amendment 2006 as part of Sixth Amendment)

ARTICLE 6 **APPROVAL OF PLANS AND SPECIFICATIONS**

Approval of Plans and Specifications. No building, fence, wall, dock, driveway or other structure shall be commenced, erected or maintained on a lot, nor shall any exterior addition to a building or structure be made until the plans and specifications therefore showing the nature, kind, shape, height, materials and location of same shall have been submitted to and approved in writing by the Architectural Control Committee as to harmony of exterior design, aesthetics and types of materials in relation to existing structures, and as to location with respect to lot liens and finish grade elevations.

Remedies: The Board, in the name of the Association, shall have the right and power, in its sole discretion, to institute a judicial proceeding to enforce a violation of the architectural covenants and the Architectural Control Committee review functions of this Declaration and any building codes, architectural guidelines, rules and regulations adopted by the Board, including appropriate relief in equity or at law against a violating Owner and, in the event the Association prevails, to recover the Association's costs and attorney's fees incurred in such action.

Right of Appeal: Any Owner aggrieved by a decision or action of the Architectural Control Committee shall have the right of appeal to the Board. The Board may adopt procedures for fair, effective and efficient hearings for such appeals as it deems reasonable and necessary.

(Amended 1978 as part of First Amendment)

(Amended 2006 as part of Sixth Amendment)

ARTICLE 7 **ESTABLISHMENT OF ARCHITECTURAL CONTROL COMMITTEE**

There is hereby created and established an Architectural Control Committee. Said Architectural Control Committee

shall have the duty and authority to do all things specifically stated herein. Said Committee shall consist of five members who shall be appointed by and serve at the pleasure of the Board of Directors of the Association.
(Amended 1978 as part of First Amendment)

ARTICLE 8
COMMERCIAL ACTIVITY

No business, trade, professions, or commercial activity or calling of any kind shall be conducted in any building, or on any lot or part of lot, excepting for Lots 200 through 265 in Plat 9, the two lots designated "Church" in Plat 9 and the undesignated area in Plat 9 bounded on the north, in part, by Lot 224, bounded on the east by an alley adjoining Lots 231 and 226 and by Lot 915, bounded on the southeast by Lot 233, bounded on the south by Hearthstone Drive and a "Church" lot, bounded on the west by the easterly property line of Lots 200 through 215 and bounded on the northwest by a portion of the other "Church" lot. The foregoing lots are hereby designated as being available for commercial purposes.

(Amended 1978 as part of First Amendment)

ARTICLE 9
LIVESTOCK PROHIBITED

No hogs, cows, horses, rabbits, chickens, goats, poultry, birds, livestock, or animals of any kind, other than house pets, shall be brought onto or kept on any lot or part of lot shown upon the aforementioned Plat; and no more than two dogs, cats, or other such pets may be kept or maintained on any of said lots or part of lots.

ARTICLE 10
BOARD OF DIRECTORS MAY REGULATE OR PROHIBIT PARKING WITHIN
LAKE SHERWOOD ESTATES ASSOCIATION

The Board of Directors of Lake Sherwood Estates Association is authorized to regulate and/or prohibit the parking of vehicles (including campers, boats, trailers, recreational vehicles, and any other titled or untitled vehicles) on any areas within Lake Sherwood Estates Subdivision including on private lots and on the roads, easements and common ground of Lake Sherwood Estates.

(Amended 1995 as part of Fourth Amendment)

ARTICLE 11
RESERVATION OF EASEMENTS

Developer shall have and does hereby reserve the right to locate, erect, construct, maintain and use, or authorize the location, erection, construction, maintenance and use of drains, sanitary and storm sewers, gas and water mains and lines, electric and telephone lines and other utilities, and to give or grant rights of way or easements therefor over and upon any part of said property marked "utility easement" and/or marked "street" upon the aforesaid Plat, and further no right whatever in said "utility easement" shall by this instrument or the recording of said Plat be given granted or vested in any person whatsoever.

ARTICLE 12
OVERHEAD WIRING PROHIBITED

No power or telephone distribution or service connection lines may be erected or maintained above the surface of the ground on any of said lots without the consent in writing by the Architectural Control Committee established hereby.

ARTICLE 13
TEMPORARY STRUCTURES PROHIBITED

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out buildings shall be used on any residential lot at any time as a residence, either temporarily or permanently.

ARTICLE 14
NOXIOUS OR OFFENSIVE ACTIVITY PROHIBITED

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as construed by the Courts of the State of Missouri, as an annoyance or nuisance.

ARTICLE 15
BILLBOARDS PROHIBITED:

No signs, advertisements, billboards or advertising structures of any kind or nature may be erected or maintained on any of said lots or any parcel of land; provided, however, that this prohibition shall not apply to the following:

- a. directional or traffic signs;
- b. signs identifying recreational facilities;
- c. signs identifying lots by name or number provided that no lot shall contain more than one such sign and same shall conform to size, color, material and other standards established by the Architectural Control Committee; and
- d. signs identifying a business, trade, profession, or commercial activity operating in a permanent structure within the area permitted for commercial activity as set forth in **ARTICLE 8** of the Declaration of Restrictions provided that each such business, trade, profession or commercial activity shall not contain more than one exterior sign and same shall conform to size, color, material and other standards established by the Architectural Control Committee.

(Amended 1978 as part of First Amendment)

ARTICLE 16
DRILLING AND QUARRYING PROHIBITED

No oil drillings, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring oil or natural gas shall be erected, maintained or permitted upon any lot.

ARTICLE 17
DUMPING OF RUBBISH PROHIBITED

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept except(sic) in sanitary containers, or incinerators or other equipment for the storage or disposal of such materials, and shall be kept in a clean and sanitary condition.

ARTICLE 18
INDIVIDUAL SEWERAGE DISPOSAL PROHIBITED

No individual sewerage treatment system shall be permitted on any lot. All sanitary sewer lines in said subdivision shall connect with the central sewerage disposal system provided in said subdivision. Water from downspouts or any surface water shall not be permitted to drain into the sanitary sewer system.

ARTICLE 19
RESUBDIVISION OF A LOT PROHIBITED

No lot shown upon the aforementioned Plat shall be re-subdivided, and not more than one single family residence shall be constructed or erected upon any of said lots.

ARTICLE 20
MEMBERSHIP IN HOMEOWNERS ASSOCIATION:

Membership in Homeowners Association. The Grantee or Grantees covenant and agree for himself, herself, or themselves, his, hers or their heirs, successors and assigns, that he, she or they will become and remain a member of the Lake Sherwood Estates Homeowners Association, a not-for-profit corporation of the State, so long as the grantee, grantees or his, hers or their heirs, successors or assigns, retains any interest in the property conveyed, and by accepting the conveyance, the grantee, grantees, or his, hers, or their heirs, successors and assigns, becomes a member of said Association and binds himself, herself, or themselves to abide by the Articles of Incorporation, Bylaws and reasonable rules and regulations of the Association, which may be adopted by the Board of Directors from time to time, and the Grantee or Grantees, of his hers or their heirs, successors and assigns, agree to pay to the Association such annual dues, user fees and assessments as its Board of Directors shall affix and determine, and said dues and assessments shall be paid at such time and times as the Directors shall determine.

Member in Good Standing: A Member must be in good standing with the Association to vote, serve on the Board, serve on committees and use the recreation facilities, common grounds, reserved parking, buildings and lakes. A 'Member in Good Standing' is one who is current in payment of all assessments, fines, user fees, utility charges and other charges imposed under this Declaration, the By-Laws or rules and regulations adopted by the Board

The Grantee or grantees, his, hers, or their heirs, successors and assigns, further covenant and agree to participate in the manner prescribed by the By-laws of Lake Sherwood Estates Homeowners Association, and the Resolution of its Board of Directors in the maintenance of all community improvements, such as lakes, common planting areas, street improvements, decorative fences, posts, street lamps, parks and playgrounds, and in general, he, she or they agree to participate in all improvements which the Board of Directors of said Association shall create for the benefit of the community.

(Amended 1994 as part of the third amendment)

(Amended 2006 as part of Sixth Amendment)

ARTICLE 21
ASSESSMENT FOR GENERAL FUND OF ASSOCIATION; DUE DATE; NOTICE

Each respective lot hereinabove described and shown upon said Plat when, if and as conveyed by the Developer or sold by the Developer under contracts or agreements of purchase and sale, shall thereafter be subject to an annual maintenance charge or assessment to be paid to the Lake Sherwood Estates Homeowners Association for the purpose of providing a general fund to enable the said Homeowners Association to perform the duties hereinafter set forth.

The amount of such assessment shall be fixed annually by the said Homeowners Association, and shall be charged or assessed in equal proportions against each lot of land above described. Each yearly assessment shall be due and payable on or before ninety (90) days after it has been fixed and levied. It shall be the duty of the Homeowners Association to notify all owners of the fee simple title to the property above described whose addresses are listed with the said Homeowners Association, within thirty (30) days after said assessment has been fixed and levied, giving the amount of the charge or assessment for said year when due, and the amount due on each lot or parcel of land owned by each such owner. Failure of the said Homeowners Association to levy the assessment or charge for any one year shall not affect the right of said Association to do so for any subsequent year.

A written or printed notice of said assessment including the above information deposited in the United States Post Office, with postage prepaid and addressed to the respective owners at their last address listed with the said Homeowners Association, shall be deemed to be sufficient and proper notice for this purpose or for any other purpose of this declaration when notice is required.

ARTICLE 22
LIEN OF ASSESSMENT; INTEREST; DELINQUENCY:

Ninety (90) days after the date when any yearly assessment has been fixed and levied, the assessment, if not paid, shall become delinquent and payment of both principal and interest may be enforced as a lien on said real estate, and proceedings in the Circuit Court of Warren County, Missouri, or any other Court having jurisdiction for

the suits for the enforcement of such liens. It shall be the duty of Lake Sherwood Estates Association to bring suits to enforce such liens before the expiration thereof as hereinafter provided. Lake Sherwood Estates Association may at its discretion file certificates of non-payment of assessments in the Office of the Recorder of Deeds of Warren County, Missouri, whenever any such assessments are delinquent. For each certificate so filed, Lake Sherwood Estates Association shall be entitled to collect from the owner or owners of the property described a reasonable fee, which fee is hereby declared to be a lien upon the real estate so described in said certificate and shall be collectible in the same manner as the original assessments provided for herein.

Such lien shall continue for a period of five (5) years from the date of delinquency, and no longer, unless within such time, suit shall have been instituted for the collection of the assessments, and a notice of action pending filed for record in the Office of the Recorder of Deeds of Warren County, Missouri, in which case, the lien shall continue until the termination of the suit, and until the sale of the property under execution of the Judgment establishing same.

(Amended 1996 as part of Fifth Amendment)

ARTICLE 23.
APPLICATION OF ASSESSMENTS:

Such charges or assessments as referred to above shall be applied by said Homeowners Association to the payment of the cost of the following:

- (a) Enforcement of Restrictions: To enforce, either in its own name or in the name of the owner or owners of the property above described, any or all building restrictions which may have been heretofore or may hereafter be imposed on any of the said above described property, either in the form originally placed thereon or as modified subsequently thereto; provided, however, that this right of enforcement shall not serve to prevent the right of the owner or owners of any lot or parcel of land above described to enforce said building restrictions in the event they or anyone of them elects so to do, or prevent such changes, releases or modifications of restrictions or reservations being made by the parties having the right to make such changes, releases or modifications as are permissible in the deeds, contracts, declarations, agreements, or plats in which such restrictions and reservations are set forth; nor shall it serve to prevent the assignment of those rights by the proper parties, whenever such right of assignment exists. The expenses and costs of any such proceedings instituted by said Homeowners Association shall be paid out of the general fund of said Association.
- (b) Maintenance of Parks, Parkways and Lakes: To provide for the maintenance of parks, parkways and lakes not otherwise maintained by the County of Warren, Missouri, or of the State of Missouri.
- (c) Maintenance of Streets and Utilities: To provide for and maintain proper and desirable streets and utilities not otherwise provided for by the County of Warren, or State of Missouri, located and situated within said Subdivision.
- (d) Beautifying: To beautify and keep neat and in good order all open spaces including parks and lakes and vacant lots and other areas within the right of way of the streets where such service is not adequately provided by the County of Warren or the State of Missouri; and to provide any other neighborhood services not provided by government authorities.
- (e) Improvements: To protect property values by keeping alive pride in the community and enthusiasm for it; to work for better transportation, schools, libraries, recreation area, and playgrounds within the community and to do all lawful things and acts which the said Homeowners Association at any time and from time and(sic) time shall in its discretion determine to be for the best interest of said above described property and the owners of the lot or lots and parcels of land therein.

ARTICLE 24
COLLECTION OF ASSESSMENTS; EXPENSES; LIMITATIONS ON YEARLY EXPENDITURE:

- “(a) **Budget.** The Board shall prepare and adopt an annual budget for the forthcoming year, including

a reasonable estimate of the Common Expenses, user fees, and reserves as provided below in this Paragraph; provided, however, that the Association shall at no time expend more money within any year than the total amount of the income for that particular year or any surplus, nor shall the Association enter into any contract, except for borrowing, that would bind the assessments of any future year to pay any such obligation.

“(b) **Assessments.** The Board shall determine the amount of the annual assessment reasonable and necessary to provide for the Common Expenses of the Association. The assessment shall be imposed equally against all Lots.

“(c) **User Fees.** The Board shall establish user fees for specific Association services and products, provided: (1) the service or product is consumed or used by and primarily benefits those paying the fee; (2) a reasonable and cost effective procedure can be established to collect said fee; (3) a reasonable cost basis exists to determine fee amounts (cost basis includes appropriate direct and indirect cost, including operating, maintenance, replacement/investment, security, administration, insurance, reserves, etc); (4) fee amounts are set on a breakeven basis to cover all appropriate costs as outlined in aforementioned number three (3) above; (5) costs and fees are determined on consistent basis from period to period and with respect of other user fees; (6) costs and fees are reviewed and updated during the annual budget cycle; and (7) fee-cost variances are linked to the general operating fund on a “revolving fund” zero-net-sum basis (fee-cost gains/loses from one period are zeroed out by offsetting fee-cost adjustments in the next period). Fees may be adjusted during the fiscal year if warranted by cost changes with a minimum of 60 days notice to all members.

“(d) **Borrowing.** The Board may borrow funds in the name of the Association in the event of an unanticipated financial emergency, and encumber Association assets and assign its rights to future income (including the right to receive assessments), provided that the members in good standing ratify such a borrowing in the following manner: the Board shall provide a description of any proposed borrowing to all members and hold a special meeting of the members to present the purpose of the proposed borrowing. Such a special meeting shall be called no later than thirty (30) days prior to the vote or no more than forty-five (45) days prior to the vote. The vote on such proposal must be by mail by members in good standing seven (7) days prior to the last date on which ballots can be returned for tabulation. The ballot must include the deadline for return of the ballot. Adoption of the proposal for borrowing shall be by simple majority vote of those members in good standing who cast ballots.

“(e) **Collections.** The Association shall collect all assessments, user fees, and other charges herein provided, and shall pay all expenses in connection therewith and all other income to provide for the Association’s obligations under this Declaration.

“(1) If any assessment, user fee, fine, penalty, interest, or other amount due the Association is not paid when due, then such sum shall become delinquent and shall, together with interest and costs of collection, shall be a continuing lien on the Lot. Recording of this Amendment shall be deemed perfection of the Association’s lien, and no further recording of a notice of lien shall be required, but the Board may record a notice in its discretion. The Owner of the Lot at the time said amount is due shall also be the personal obligation of the Owner until is paid in full, unless assumed in writing by the new Owner with the written consent of the Association.

“(2) If an assessment, user fee, fine, penalty, interest or other amounts due the Association are not paid when due, including an approved installment plan, the assessment shall bear interest from the due date at the rate of one percent (1%) per month compounded monthly, and the Association may bring an action at law against the Owner personally obligated to pay the same, and may also bring an action to foreclose the lien against the property, and there shall be added to such assessment, fines, penalty, interest, or other amount due the Association, the cost of collecting such amounts due, and in the event a judgment is obtained, such judgment shall include interest on the amounts due as above provided, all reasonable attorney’s fees, sheriff’s fees, and court costs.

“(f) **General Reserves:** The Board shall provide a reasonable reserve in the amount of ten percent (10%) of the annual operating budget in the event of unanticipated increase in expenses or shortfall in collection of assessments, fees, and other income. The exact amount shall be determined by the Board from year to year, shall be stated in the annual budget, and shall be collected as part of the general assessments of the Association.

“(1) The General Reserve Fund shall serve as a reserve for either assessment or fee-based operating expenses. Amounts used for assessment based operating expense shall be replaced in full from assessment

revenues. Amounts used for fee-based operating expenses shall be replaced in full from fee revenues generated by the same cost center that utilized the funds. Except as noted below, all funds withdrawn from the General Reserve Fund during the year for operating expense shortfall must be repaid in full during the following year.

“(2) If unforeseen emergency conditions arise for which designated reserve balances are not available or are grossly inadequate, the Board may declare a financial emergency by a simple majority-plus-one vote of the entire board. In this event, the Board may temporarily reallocate up to 50% of the General Reserve Fund balance to cover the emergency condition. The entire remaining balance of the General Reserve Fund may be withdrawn by a declared emergency subject to a simple majority-plus-two vote of the entire Board.

“(3) The Board shall prepare a written explanation of the emergency and publish same to the members.

“(4) Repayment of re-allocated funds shall utilize the following minimum straight-line repayment schedule based on a percentage of the total General Reserve Fund:

Repayment Schedule

Total Percent Re-Allocated	Years to Repay
0 to 19%	One year
>20% to 39%	Two years
>40% to 59%	Three years
>60% to 79%	Four years
>80% to 100%	Five years

“(5) During the period for which the General Reserve Fund is drawn down for Board approved emergencies, all end-of year carry-over, except carry-over from capital projects, shall be applied “over and above” said schedule as follows: (i) assessment-based carry-over shall only be applied to assessment-based emergency withdrawals, and (ii) fee-based carry-over shall only be applied to fee-based emergency withdrawals, only to the extent that the carry-over and emergency use cost centers are the same (e.g., campground emergency withdrawals shall not be repaid with utility fee carry-over).

“(g) **Designated Reserves:** The Board shall provide reasonable reserves for long term repair and replacement of improvements funded by general assessments and fees including, by way of example, lakes and dams, roadways, storm water control, utilities, clubhouse and other recreation facilities. The targeted amount of such reserves shall be determined by a reserve study of the expected useful life, and estimated costs of repair or replacement, of each such improvement. The amounts so determined shall be designated in the reserves for each such improvement, and the reserve funds shall be applied to such designated improvements.

“(1) In emergency situations, the Board of Directors may direct reserve-specific funds to be temporarily reallocated for other reserve purposes, not to include routine operating expenses, provided:

“(2) A normal appropriate funding source for said emergency is not available or is grossly inadequate.

“(3) The Board approves such reallocation with a vote of simple majority plus one (1) of all seven Board members.

“(4) The Board provides a written explanation of the emergency and is so published to the members.

“(5) The Board reimburses the reallocated fund as quickly as is financially prudent over a period not to exceed five (5) years. The reimbursement period may be extended through an all member vote in accordance with the By-Laws of the Association.

“(6) Reimbursement to the borrowed reserve shall include simple interest at prime compounded monthly.

“(7) Reimbursement installments must be made no less than quarterly at a rate not less than level payments computed on a straight line basis, including simple interest as outlined in the aforementioned paragraph.

“(8) If such reallocation has been authorized, the individual member annual assessment notices are to include a reimbursement summary showing the original amount reallocated both in total and net “per lot.”

“(h) **Insurance Reserves:** The Board shall provide reserves for payment of deductibles under the Association’s property insurance for casualty loss of improvements insured by the Association or claims against the Association under its liability policy. The exact amount shall be determined by the Board based on the insurance deductibles as may be adjusted from year to year, shall be stated in the annual budget, and collected as part of the general assessments of the Association. Restoration of the insurance reserve following any withdrawal(s) during a given year shall be made in its entirety in the budget year immediately following the year of withdrawal.”

(Amended 2006 as part of Sixth Amendment)
(Amended 2008 as part of Eighth Amendment)

ARTICLE 24 B
PERSONAL LIABILITY FOR ASSESSMENTS AND OTHER AMOUNTS DUE
LAKE SHERWOOD ESTATES ASSOCIATION

If assessments, user fees, fines, penalties, interest, or other amounts due Lake Sherwood Estates Association are not paid when due, then such assessments, user fees, fines, penalties, interest, or other amounts due Lake Sherwood Estates Association shall become delinquent and shall, together with such interest thereon, and cost of collection thereof, as herein provided, become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representative and assigns. The personal obligation of the Owner to pay such amounts due Lake Sherwood Estates Association however, shall remain the personal obligation of the person or persons who are Owners of the property at the time the amount due Lake Sherwood Estates Association accrued, until it is paid in full, until and unless such amounts due Lake Sherwood Estates Association are assumed in writing by the new Owner and with the written consent to the assumption by Lake Sherwood Estates Association.

If an assessment, user fee, fine, penalty, interest or other amounts due Lake Sherwood Estates Association is not paid when due, including an approved installment plan, the assessment shall bear interest from the due date at the rate of one percent (1%) per month compounded monthly, and Lake Sherwood Estates Association may bring an action at law against the Owner personally obligated to pay the same, and may also bring an action to foreclose the lien against the property, and there shall be added to such assessment, fines, penalty, interest, or other amount due Lake Sherwood Estates Association, the cost of collecting such amounts due, and in the event a judgment is obtained, such judgment shall include interest on the amounts due as above provided, a reasonable attorney’s fees, sheriff’s fees, and court costs.”

(Amended 1995 as part of Fourth Amendment)
(Amended 2006 as part of Sixth Amendment)

ARTICLE 25
MEMBERSHIP IN ASSOCIATION; EFFECT OF CONVEYANCE:

Each owner by original purchase from the Developer or its successors or assigns of any lot or lots hereinabove described shall, by the purchase of that property, become a member of said Homeowners Association and shall continue to be a member thereof so long as it, he, she, or they are the owner of any lot or lots within said subdivision. Upon transfer, conveyance or sale by any owner of all of his, hers or their interest in said above described tract, said owner's membership in said Homeowners Association shall thereupon cease and terminate. Except as herein provided, the said Homeowners Association shall be the sole Judge of the qualifications of its members and of their right to participate in and vote at its meetings, and the acceptance as a member in said Homeowners Association shall be governed by said Association prior to the conveyance of any lot by the Developer. Said Homeowners Association shall consider such things as prior criminal record, moral conduct and financial responsibility in determining the qualification of any proposed member. Provided, however, that said Homeowners Association shall not be limited to such matters in determining the qualification of any proposed member. The fact of any full or partial non-membership or membership rights shall not serve in any way to release or relieve the lot or lots owned by said owner or owners from the assessment herein provided for.

ARTICLE 26

CONTROL OF COMMON AREAS:

Said Homeowners Association shall have the right to establish and promulgate rules and regulations in the use and enjoyment of all common areas within said subdivision, such as parks and lakes, and shall have the right to enforce such rules and regulations, and after giving written notice of any violation by any member in said Homeowners Association, upon the failure of said member to cease and desist from said violation, said Association shall have the right to terminate said member's membership in said Association.

ARTICLE 27
NOTICE OF ADDRESS OF ASSOCIATION, TIME AND PLACE OF MEETINGS

The said Homeowners Association shall notify all owners of the lot or lots in said Subdivision, at the address of such owners as listed with said Association, of the official address of said Homeowners Association, of the time and place of regular meetings of said Association, and of any other business of said Association.

ARTICLE 28
MODIFICATION OF DECLARATION

By written consent of the owners of the fee simple title of two-thirds of all of the lots and parcels of land additional powers as may be desired by said Homeowners Association, or other amendments or modifications of the Homeowners Association's powers or duties may be given or granted and said Amendment or Modification shall be recorded in the Office of the Recorder of Deeds of the County of Warren, State of Missouri.

ARTICLE 29
EXERCISE OF POWERS OF ASSOCIATION PRIOR TO INCORPORATION

Prior to the actual organization or incorporation of the said Homeowners Association contemplated by the terms of this declaration, the Developer shall have the right at its option to perform the duties, assume the obligations, and levy and collect the assessments and charges and otherwise exercise the powers herein conferred upon the said Homeowners Association in the same way and manner as though all of such powers and duties were herein given directly to the Developer.

ARTICLE 30
CONFLICT OF DECLARATION AND LAW

Said Homeowners Association shall, at all times observe all of the laws of the County of Warren, the State of Missouri, and the United States of America, and if any of the provisions of this declaration shall be found to be in conflict therewith, then such parts of this declaration as are in conflict with such laws, shall become null and void, but no other part of this declaration not in conflict therewith shall be affected thereby; excepting ex post facto laws allow non-compliance, then this declaration shall be in full force and effect.

ARTICLE 31
RULES AND REGULATIONS OF ASSOCIATION; EMPLOYMENT OF AGENTS

The Homeowners Association shall have the right to make such reasonable rules and regulations and provide such means and employ such agents as will enable it adequately and properly to carry out the provisions of this declaration.

ARTICLE 31 B
REGULATIONS TO BE ESTABLISHED BY THE BOARD OF DIRECTORS

The Board of Directors of Lake Sherwood Estates Association is authorized to establish regulations to

enforce the Declaration of Restrictions and any amendments thereto, including the establishment of monetary fines and the withholding of amenities for violation of such regulations. If such fines are not paid, the Board of Directors of Lake Sherwood Estates Association is authorized to attach liens upon the violating lots, and/or take legal action to collect such amounts due Lake Sherwood Estates Association. In the event Lake Sherwood Estates Association takes legal action to collect such amounts due Lake Sherwood Estates Association, the violator shall reimburse Lake Sherwood Estates Association for its attorney's fees, court costs and sheriff's fees plus interest thereon. Interest shall accrue on any unpaid balance at the rate of one percent (1%) per month compounded monthly.
(Amended 1995 as part of Fourth Amendment)

ARTICLE 32
LIMITATION OF TRANSFERING PROPERTY TO SOCIAL AND RELIGIOUS ORGANIZATIONS

No property within Lake Sherwood Estates shall be willed, conveyed or transferred in any manner to a civic, social, religious, charitable, fraternal or any other person or persons other than an individual family unit for the exclusive use of an individual family unit, without the written consent of the said Homeowners Association and subject to the provisions of said written consent.

ARTICLE 33
DURATION OF RESTRICTIONS

The restrictions herein contained shall run with the land and shall continue in effect until twenty-five (25) years from June 1, 1971, after which time, the restrictions and covenants herein shall be automatically extended for successive periods of ten (10) years each, unless an instrument in writing executed by the then owners of fee simple title to two-thirds (2/3) of the lots and parcels in the Lake Sherwood Subdivision has been recorded in Warren County, Missouri, terminating these covenants and restrictions in whole or in part; it being understood that an owner shall be entitled to one vote for each lot or parcel owned.
(Amended 1978 as part of First Amendment)

ARTICLE 34
ENFORCEMENT OF COVENANTS AND RESTRICTIONS

These restrictions and covenants may be enforced by proceedings at law or in equity against any person, firm or corporation violating, attempting to violate or threatening to violate any of these restrictions or covenants, and any Court of competent jurisdiction may restrain violation of these restrictions and covenants and award damages, and these restrictions may be enforced by a judicial proceeding aforementioned by the Owners of any property in said Lake Sherwood Estates, subject to these restrictions and covenants, or by the owner or owners of property which may be hereafter subjected to these restrictions and covenants by the Developer, or its successors or assigns, and these restrictions and covenants may be enforced by Lake Sherwood Estates Homeowners Association as above herein provided, and said owners or said Association may prosecute by appropriate judicial proceedings to prevent violation of these restrictions and recover damages.
In the event that any Court shall invalidate or declare invalid any one or more of these restrictions and covenants, such invalidation shall in no way affect the remaining covenants and restrictions which shall remain in full force and effect.

ARTICLE 35
DEVELOPER'S RIGHT TO ASSIGN

Developer may, by appropriate agreement, assign or convey to any person or corporation all or any part of the rights, powers, reservations and privileges herein reserved by it, and by such agreement, assignment or conveyance being made, its assigns or grantees may, at their option, exercise, transfer, or assign those rights, or any one or more of them at any time or times in the same way and manner as though directly reserved by them or it, in this agreement.

ARTICLE 36
DEFINITION OF LOT

The word "Lot" as used herein may mean either any lot as platted, or any tract, or tracts of land as conveyed, which may consist of one or more lots or a part or parts of one or more lots as platted, and upon which a residence may be erected, in accordance with the restrictions and covenants herein contained.

ARTICLE 36B
COMMON GROUND AND COMBINING LOTS

The Board of Directors of Lake Sherwood Estates Association by two-thirds vote of all said directors shall have the power and authority to designate certain lots owned by Lake Sherwood Estates Association (or by the wholly owned subsidiary, Lake Sherwood Sales Corporation) as common ground for use by all members.

The Board of Directors of Lake Sherwood Estates Association by two-thirds vote of all said directors shall have the power and authority to combine any two or more adjacent lots owned by Lake Sherwood Estates Association (or by the wholly owned subsidiary, Lake Sherwood Sales Corporation) into one larger lot.
(Added 1991 as part of the second amendment)

ARTICLE 37.
ADDITION OF OTHER PROPERTY TO DECLARATION OF ASSOCIATION'S
RESTRICTIONS AND COVENANTS

The Association may acquire real property adjacent to the Community to protect or enhance its natural resources, infrastructure or otherwise serve the best interests of the entire Community as a whole. Such acquisition may be for the purpose of adding common ground and/or individual lots. The property acquired shall be subject to this Declaration and to rules and regulations of the Association.

The following procedures apply to approving any acquisition of property under this paragraph 37:

“(a) The Board may enter into a contract to purchase or an option to purchase an adjacent parcel contingent upon ratification of the purchase as provided below and any other conditions the Board deems reasonable and necessary.

“(b) The Board shall adopt a resolution stating its intent to acquire such parcel and a summary of the proposed acquisition, including a description of the parcel, reasons for acquisition, proposed use of the parcel, proposed improvements, estimated purchase price and related costs, method of funding, other material terms of acquisition, and anticipated costs of improvement, maintenance, and operation of the parcel.

“(c) Prior to acquiring title to such parcel, the Board shall send its resolution to the Owners with a notice of an Association meeting for the Owners to consider ratification of the proposal to acquire such parcel. At such meeting, The proposal shall be deemed ratified unless rejected by at least a majority of all the Owners participating in the vote. A quorum is not required for such meeting.
(Amended 2008 as part of 7th amendment)

ARTICLE 38.
AMENDMENT, MODIFICATION AND TERMINATION OF RESTRICTIONS, COVENANTS AND
DECLARATION

1. Voting on Amendments to the DECLARATION OF RESTRICTIONS, of Lake Sherwood Estates shall be limited to members in good standing. Members in good standing are defined as those lot owners who are individuals, or individual family units who have been fully paid and current on assessments, fines, fees, water and sewer charges, and any other amounts due Lake Sherwood Estates Association for at least thirty (30) days prior to an election.
2. The terms Lake Sherwood Estates Home Owners Association and Lake Sherwood Estates Association as used within these DECLARATION OF RESTRICTIONS are synonymous and denote the Not For Profit Missouri Corporation which governs Lake Sherwood Estates.
3. Item 38 of the DECLARATION OF RESTRICTIONS shall henceforth be amended to read as follows:

38. Amendment, modification and termination of Restrictions, Covenants and Declarations: These Restrictions, Covenants and Declarations may be amended, modified or terminated, in the following manner:

a. At a duly called meeting of the members by a majority of vote of the total MEMBERS IN GOOD STANDING;

OR

by a two-thirds (2/3) majority of those MEMBERS IN GOOD STANDING who participate in the voting;

b. A duly called meeting is a meeting whereby all MEMBERS IN GOOD STANDING are given not less than seven (7) days nor more than thirty (30) days notice by regular mail to the MEMBER IN GOOD STANDING'S address as shown on the books of Lake Sherwood Estates Association; if an Amendment to the DECLARATION OF RESTRICTIONS is proposed a copy of such proposed Amendment must be included in the notice of the meeting.

(Amended 1994 as part of Third Amendment)

ARTICLE 38 B
RESTRICTIONS AND AMENDMENTS TO INCLUDE ALL OF LAKE SHERWOOD ESTATES
SUBDIVISION

All areas in Warren and St. Charles County known as Lake Sherwood Estates, regardless of the plat or legal description shall be subject to and regulated by the Declaration of Restrictions, including any and all amendments thereto.

(1995 Amendment added as part of Fourth Amendment)

ARTICLE 39.
BINDING EFFECT

All of the provisions of these restrictions, covenants and declarations shall be deemed to be covenants running with the land, and shall bind the Developer, its successors and assigns, and all parties claiming by, through, or under them shall be taken to hold, agree and covenant with the Developer, its successors in title, and with each of them to conform to and observe all the terms and conditions herein contained.

ARTICLE 40
MAINTENANCE OF INDIVIDUAL LOTS AND RESIDENCES SHALL BE
GOVERNED BY THE FOLLOWING PROVISIONS:

To protect the attractiveness of the community as a whole and the property values of Lots within the Subdivision:

- (a) Each Owner of a Lot, at his own expense, shall be responsible for maintenance, repair and replacement of his respective Lot and any improvements thereon, including the residence, all docks and piers, utilities, sewer lateral lines, surface drainage channels and retention walls serving the Lot, in good and serviceable condition to preserve said property and the value thereof.
- (b) The Board, in its discretion, may adopt and amend such community standards applicable to maintenance of the individual Lots as the Board may deem reasonable and necessary to carry out the purposes of this Paragraph 40.
- (c) The board, to implement the purposes of this Paragraph 40, may (1) prepare and amend community standards and publish same to all the Owners, (2) issue notices of noncompliance specifying the condition that is in need of correction, (3) after notice and opportunity to correct such conditions and opportunity to be heard, impose reasonable monetary penalties and/or withdraw an Owner's status as a Member in Good Standing, (4) in the name of the Association, to seek any appropriate judicial relief in equity or at law against the offending Owner and, in the event the Association prevails, to recover its costs and attorney's fees incurred in such action.

(Added 2006 as part of Sixth Amendment)

ARTICLE 41
COMMUNITY IMPROVEMENT DISTRICT

The Board may apply to local government for the establishment of a Community Improvement District, Neighborhood Improvement District, or such other special taxing district as may be appropriate for the Subdivision and the Association, with approval of the Members of the Association in accordance with Missouri law.
(Added 2006 as part of Sixth Amendment)

ARTICLE 42
NATIONALLY RECOGNIZED COMMUNITY ASSOCIATION MANAGEMENT GUIDELINES

LSEA Board of Directors and paid professional management staff have a fiduciary duty to manage the affairs of LSEA with due care and diligence. Towards this end, absent compelling documented justification to deviate, the LSEA Board of Directors and paid professional management staff will embrace management principals and guidelines promulgated by nationally recognized professional organizations that focus on best management practices for community associations management, the Community Association institute (CAI) and, for accounting and financial reporting management, the American Institute of Certified Public Accounts (AICPA) and with their auditing and accounting guide for Common Interest Realty Associations (CIRAs).
(Added 2006 as part of Sixth Amendment)