
**BY-LAWS OF
COVENTRY FARM HOMEOWNERS' ASSOCIATION**

Effective _____, 201__

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BY-LAWS OF COVENTRY FARM HOMEOWNERS' ASSOCIATION

ARTICLE ONE NAME, MEMBERSHIP, AND DEFINITIONS

1.1 Name. The name of the Association shall be Coventry Farm Homeowners' Association ("Association"). The Association is the homeowners' association of Coventry Farm ("Subdivision") pursuant to the "Declaration of Planned Community for Coventry Farm" recorded on _____, 201__ in Book _____, Page ____ of the records of St. Louis County, Missouri ("Declaration").

1.2 Membership. The Members of the Association shall consist of the Owners of Lots in the Subdivision. The membership of each Owner shall terminate when he ceases to be an Owner, and upon the sale, transfer or other disposition of his ownership interest, his membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

1.3 Definitions. The definitions contained in the Declaration shall apply to these By-Laws. In addition, the following definitions shall apply:

1.3.1 "Community Manager" means the managing agent of the Association.

1.3.2 "Email" means an electronic communication or transaction made in accordance with the Missouri Uniform Electronic Transactions Act, Mo. Rev. Stat., §§ 432.200, *et seq.*, as may be amended.

1.3.3 "Majority" means those votes totaling more than 50% of the total eligible votes in the Association.

ARTICLE TWO ASSOCIATION MEETINGS, QUORUM, VOTING, PROXIES

2.1 Annual Meetings. The annual meeting of the Association shall be held during the month of February or such later date as practical. At the meeting, the Members shall elect Directors as provided in Article Three, and may transact such other business as may properly come before them, provided that written notice of such business is given to all Members at least thirty (30) days in advance of the meeting.

2.2 Place of Meetings. Meetings of the Association shall be held within five (5) miles of the Subdivision, or such other convenient location as may be designated by the Board.

2.3 Special Meetings. Special meetings of the Association may be called by resolution of a majority of the Board or upon a petition to the Board signed by at least 30% of the Members in Good Standing. The notice of any special meeting shall state

the date, time, place of such meeting, and the purpose thereof. Only business stated in the notice may be transacted at a special meeting.

2.4 Notice of Meetings. The Board shall provide to each Member a notice of each annual or special meeting of the Association stating the purpose and the date, time, and place of the meeting. Notice of the Annual Meeting shall be sent via mail not less than 30 nor more than 90 days before the annual meeting. For all other Association meetings, notices shall be served by mail, Email, or personal delivery not less than 14 nor more than 60 days before a meeting. Notice of a meeting in the manner provided in this Section shall be considered service of notice.

2.5 Waiver of Notice. If notice of an Association meeting under Section 2.4 is deficient, a Member may waive such deficiency by a written waiver before or after the meeting, or by personally attendance at the meeting, unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice.

2.6 Quorum and Adjournment of Meetings. The presence at the beginning of any duly called meeting under this Article, in person, by proxy or absentee ballot, of 20% of all the Members shall constitute a quorum at any meeting of the Association.

If any meeting of the Association cannot be held because a quorum is not present, the Board shall reschedule the meeting and notify the Members of the rescheduled meeting. Such meeting, quorum shall be reduced to 15% of the Members, and if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. Any proxies or ballots prepared and submitted at the adjourned meeting shall remain valid.

2.7 Voting Procedures. The purpose of these voting procedures is to provide each Member an opportunity to have his or her voice heard directly on any matter to be taken by the Members.

2.7.1 Voting by Ballot. For actions taken at a meeting, the Association shall provide each Lot represented at the meeting a ballot to cast his or her vote on all actions to be decided upon at that meeting by the Members.

For actions that need not be taken at a meeting, the Association shall provide a ballot that contains the proposed action/vote, the deadline and method for submission. The deadline for submission shall not be less than fourteen (14) days from date provided.

2.7.2 Voting by Proxy. A Member may appoint a proxy holder to cast a ballot at a meeting of the Members. Any proxy submitted must have the Member's name printed, his or her signature, address within the Subdivision, and printed name of the proxy holder. The proxy shall be submitted to the Board prior to the meeting being called to order.

2.7.2.1 Directed Proxy. A Directed Proxy shall bind the Proxy Holder to submit a ballot at the meeting as directed by the Member.

2.7.2.2 General Proxy. A General Proxy shall authorize the Proxy Holder to vote on all matters to be voted upon at the meeting. No Proxy Holder may hold more than two (2) general proxies.

2.7.2.3 Conflicting Proxies. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail. If proxies were executed on the same date, both shall be deemed invalid.

2.7.2.4 Qualification of Proxy Holder. A proxy holder must be a Member of the Association, legal counsel of the Association, or an attorney representing the Member.

2.7.2.5 Revocation of Proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of any Lot for which it was given, receipt by the Secretary of a written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, adjournment of the meeting for which the proxy is given, or eleven months from its date of execution.

2.7.2.6 Association Form. The Board may require use of an approved proxy form; such form shall not have any vote precasted.

2.7.3 Voting by Absentee Ballot. The Association may provide each Member an Absentee Ballot, as prepared by the Association, to cast his or her vote on actions to be decided upon at a meeting of the Members. The Absentee Ballot shall contain the proposed action/vote, the deadline and method for submission. The deadline for submission shall not be less than fourteen (14) days from date provided.

A Member that timely submits an Absentee Ballot shall be deemed present for the purposes of determination of quorum. Only the absentee ballot provided by the Association is permitted.

2.7.4 Multiple Owners. Multiple Owners of a Lot shall be deemed to be one Member for purposes of voting, and shall collectively be entitled to one vote. If only one of several Owners of a Lot casts a vote, by any means permitted in these By-Laws, that Owner is entitled to cast the vote allocated to that Lot. If more than one of the Owners is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is a majority agreement if any one of the Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. In the event of such protest, the vote allocated to that the Lot shall not be counted.

2.7.5 Voting by Legal Entities. If an Owner is a corporation (or other legal entity recognized at law), any designated officer of such corporation may cast the vote allocated to such Lot. The person presiding over the meeting may require written authorization that the person voting on behalf of such entity is authorized to vote.

2.7.6 Lots Owned by Association. No vote of a Lot owned by the Association may be cast.

2.7.7 No Cumulative Voting. There shall be no cumulative voting as defined in Mo. Rev. Stat. §355.296 (2010).

2.8 Action by Association. The Association may take action by the affirmative vote of a Majority of the Members in Good Standing present at a meeting (in person, by proxy or absentee ballot) at which a quorum is present unless a different percentage is expressly provided by the Governing Documents for specific actions.

ARTICLE THREE

BOARD OF DIRECTORS, QUALIFICATION, NUMBER, MEETINGS

3.1 Governing Body. The affairs of the Association shall be governed by a Board of Directors ("Board").

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

3.3 Qualification of Directors. All Directors shall satisfy the qualifications of this Section 3.3.

3.3.1 General Qualifications. A member must satisfy the following qualifications to be a candidate and serve on the Board: (1) be an Owner of a Lot according to the records of St. Louis County, Missouri, (2) a resident within the Community, (3) not be engaged in a pending judicial or administrative proceeding adverse to the Association's interests, (4) be at least 21 years of age, (5) be a Member in Good Standing, (6) have no violation of the Governing Documents that remains unresolved after notice and opportunity to be heard, and (7) two Board members cannot be from the same household even if the members own multiple Lots.

3.3.2 Spouse, Partner and Trusts. Notwithstanding Section 3.3.1(1), a spouse or partner of an Owner is qualified to be a candidate and serve on the Board so long as the spouse or partner permanently resides in the Subdivision with the Owner and the Owner, spouse and partner satisfy the other qualifications. The beneficiary of a trust that owns a Lot shall satisfy Section 3.3.1(1).

3.3.3 Legal Entities. A legal entity that owns a Lot shall satisfy Section 3.3.1(1) by designating an authorized officer ("Authorized Officer"). Regardless of the number of Lots owned by the legal entity, or legal entities having common ownership or

affiliation, a legal entity may not have multiple Authorized Officers serving at the same time.

3.4 Nomination of Directors. The Board may solicit nominations of qualified candidates for election to the Board. The Board may appoint a committee and/or solicit candidates through a newsletter, Email, or other written notice. Nominations may be made from the floor at the election only if the number of nominees is equal to the number of Board positions to be filled.

Not less than sixty (60) days prior to the election, the Board may adopt reasonable rules and regulations regarding time, place and manner of such communications as well as establish a filing deadline to be considered a candidate.

3.5 Election of Directors. The Directors shall be elected by the Members in Good Standing at the Annual Meeting or any special meeting called for this purpose by the Board except for appointments made under Section 3.7.

3.6 Term of Directors. Directors shall each serve terms of three years, which shall be staggered so that at least one Director shall be elected each year, and shall hold office until their respective successors have been elected.

3.7 Removal of Directors. Any Director may be removed as follows:

3.7.1 By the Members. At any special meeting of the Association duly called, at which a quorum is present, any Director may be removed by two-thirds (2/3) of all Members in Good Standing casting votes at such meeting. A request to remove a Director may be made to the Board by petition signed by 50% of all Members in Good Standing. If the Board declines or fails to call a special meeting within 30 days after receipt of a valid petition, the petitioners may schedule and hold such meeting as a Common Expense. No more than one vote shall be held to recall any particular Director within any period of twelve months. In the event any Director is removed by such vote, a meeting of the Members shall be held within 60-90 days thereafter at which a successor shall be elected to fill the vacancy thus created.

3.7.2 By the Board. Any Director who ceases to meet the qualifications of Section 3.3 above, or who has more than two unexcused absences from Board meetings in any calendar year may be removed from the Board by vote of the remaining Directors. A vacancy created under this Section 3.7.2 shall be filled as provided in Section 3.8.

3.7.3 No Directors. In the event there are no Directors, a meeting may be called for the purpose of electing new Directors by: (1) the Community Manager, (2) the Association's Attorney, or (3) by three Members in Good Standing. The notice shall be in accordance with Section 2.4. Alternatively, the Association's legal counsel may petition a court of competent jurisdiction to appoint a receiver or interim directors.

3.8 Vacancies. In the event of the death, disability, or resignation of a Director, or a Director is removed under Section 3.7.2 above, such Director shall be deemed to have resigned. The remaining Directors shall appoint a successor to fill the vacancy until the next annual meeting at which time a qualified successor shall be elected to serve the remainder of the term.

3.9 Organizational Board Meeting. The first meeting of the Directors following each annual election shall be held within 60 days thereafter at such time and place as set by the Board to elect officers, determine a schedule of Board meetings, authorize signatories on bank accounts, and address other organizational matters.

3.10 Regular Meetings. Regular Board meetings shall be held at such time and place as determined by the Board, but such meetings shall be held at least semi-annually. The schedule of regular Board meetings shall be published to the Members at least ten (10) days prior to such meetings.

Except in an emergency, Directors may discuss any matter by means of conference telephone (or similar communications equipment), by means of which all persons participating in the meeting can hear each other subject to Section 3.16. Information may be disseminated among the Directors by Email, but decisions must be made at a meeting.

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

3.12 Notice and Waiver of Notice. Notices of Board meetings shall be given to each Director by personal delivery, mail, Email, or by such other means reasonably expected to communicate such notice promptly, shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be conducted.

All transactions of the Board shall be valid if: (1) quorum was present at the time the transaction was made or approved, or (2) the transaction is ratified and recorded in the minutes.

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

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

3.15 Compensation. No Director shall receive any compensation for acting as

such. A Director shall be entitled to reimbursement for actual and reasonable expenses incurred on behalf of the Association upon Board approval. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, subject to conflict of interest procedures (Section 3.18).

3.16 Open Meetings and Executive Session. All meetings of the Board shall be open to all Members. The Board shall designate portions of the meetings for the purpose of participation by the Members; otherwise, Members may attend but not participate in Board meetings.

The President, or Chair of the meeting, may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than the Directors, to discuss such matters as communications with legal counsel, litigation, competitive bids, personnel matters, disciplinary matters, and such other matters in which the Board believes confidentiality or privacy should be preserved.

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

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

3.19 Training and Code of Ethics. The Board may, as a Common Expense, provide funding for publications of and membership in the Community Associations Institute and other appropriate nonprofit organizations, and may adopt a code of ethical conduct for Directors.

ARTICLE FOUR **POWERS AND DUTIES OF THE BOARD AND** **ADMINISTRATION OF ASSOCIATION**

4.1 Authority. The Board shall be responsible for the affairs of the Association and shall have all the powers and duties necessary or inferable to administer the Association, and, as provided by law, may do all acts and things not reserved to be exercised by the Members under the Declaration.

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

4.2.1 Banking. To open bank accounts on behalf of the Association with insured depositories and designate the signatories required, to deposit all funds received on behalf of the Association, and to use such funds to operate the Association. Reserve funds for repair and replacement shall be in separate accounts from operating funds, and the Community Manager shall not have access to withdraw reserve funds.

4.2.2 Accounting. To keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration. All books and records shall be kept in accordance with generally accepted accounting principles ("GAAP") and preserved for the period of time required by applicable law or regulation. A financial review of the accounts of the Association may be made periodically in compliance with GAAP for entities such as the Association. By motion approved at an annual meeting by a majority of the votes in the Association, may require that the accounts of the Association be subjected to a financial review or audit as a Common Expense by a certified public accountant.

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

4.2.4 Community Manager. To employ a Community Manager to perform such duties and services as the Board shall authorize, but the Board may not delegate the approval of budgets and assessments; adoption, amendment or termination of Rules; opening bank accounts or designation of signatories; and enforcement by legal means of any provision of the Governing Documents. The Association shall not enter any management agreement that has a term of more than three (3) years, and that does not contain a right of termination exercisable by the Association, with or without cause and without penalty, upon not more than sixty (60) days written notice.

4.3 Collection of Assessments. The Association shall collect assessments as follows:

4.3.1 Interest and Late Fees. Assessments (and installments thereof, if any) shall bear interest from the due date until payment is received at the rate of 12% per annum, or any other legal rate (not exceeding 18%). If any payment is not received within the time specified by the Board, the Board shall charge a late fee of \$10.00 for each month, or portion thereof, the assessment remains unpaid. The late fee shall accrue on the day following the due date, or at a later date at the discretion of the Board, and shall increase each month thereafter on the anniversary date of such initial accrual. The rate of interest, initial accrual date of the late fee, and amount of the late fee may be changed by the Board by following the Ratification Process as provided in the Declaration.

4.3.2 Due Date. The notice of assessment shall indicate a due date.

4.3.3 Late Notices. The Association shall send a late notice if any installment has not been received within sixty (60) days of the date due (“First Notice”); the First Notice shall provide the Member sixty (60) days to bring his or her account current. If the Member fails to do so, the Association shall send a second late notice; the Member shall have at least fourteen days from the date of the notice to bring his or her account current.

4.3.4 Use of Collection Agency/Legal Counsel. The Association may use the services of a collection agency and/or attorney to recover unpaid assessments, late fees, interest, costs or other charges due to the Association. The Member shall be responsible for reasonable attorney’s fees and costs incurred.

4.3.5 Allocation of Payments. Payments received for a delinquent account shall be applied in the following manner: (1) costs, (2) attorney’s fees, (3) Community Manager (or other professional) fees, (4) late fees, (5) interest, (6) amount of assessments due including special assessment, if any, (7) any other expenses, and (8) amount of accelerated assessment if any installment was payable in installments.

4.3.6 Collection Procedures. The Board may adopt Rules to provide for the efficient and effective collection of unpaid assessments.

4.4 Notice of Violation and Opportunity to be Heard. The Association shall have the power, as provided in the Declaration, to impose fines and penalties for any violation of the Governing Documents.

The following procedures shall apply prior to imposition of fines or penalties (collectively, “penalty”):

4.4.1 Notice. The Board shall notify the alleged violator (“Respondent”) with written notice describing (1) the nature of the alleged violation, (2) the proposed penalty to be imposed, (3) a period of not less than fourteen (14) days within which the alleged violator may request a hearing for the Board (which may be reduced if the Board believes that a risk to health or safety is present), and (4) a statement that the proposed penalty shall be imposed as contained in the notice unless a written request for hearing is received within fourteen (14) days of the notice. If a timely request for a hearing is not made, the penalty stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed penalty. Such suspension shall not constitute a waiver of the right to penalize future violations of the same or other provisions of the Governing Documents by any Person.

4.4.2 Hearing. If a hearing is timely requested by the Respondent, the hearing shall be held in executive session unless the Respondent requests the hearing be conducted during open session. The purpose of the hearing is to provide the

Respondent with an opportunity to be heard and present facts and witnesses in response to the alleged violation prior to the levy of a penalty.

Any failure to comply with this Section 4.4 shall not invalidate any fine levied so long as the Owner had notice of the hearing.

4.5 Access to Books and Records. The membership register, financial books and records, minutes of meetings of the Members, the Board, and committees, and other records of the Association shall be made available for inspection and copying by any Member 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 as the Board shall prescribe. Copies may be provided electronically in a reasonably available electronic format.

4.5.1 Written Request. A Member shall submit to the Board a written request to access the Association's records, and the request shall describe the particular records to be accessed and state a valid purpose. The Board may establish reasonable rules with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection, payment of the cost of reproducing copies of documents requested by a member, and such other matters related to carrying out the purposes of this Section.

4.5.2 Documents Not Subject to Inspection. Correspondence and other records protected by attorney-client privilege or other privilege, competitive bids, records containing private information of a Member, and other records deemed confidential by the Board are not subject to inspection by Members without the Board's consent. Ballots and proxies are subject to inspection, but names, signatures and addresses shall be redacted unless otherwise directed by a court.

4.5.3 Right of Director. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a Director includes the right to make extracts and copies of documents at his or her expense.

4.6 General Operational Matters.

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

4.6.2 Parliamentary Rules. The Board may establish procedures to govern the conduct of Association proceedings when not in conflict with Missouri law or the Governing Documents. The failure to follow such procedures shall not invalidate any actions of the Association or Board so long as the action is otherwise valid.

4.6.3 Principal Office. The principal office of the Association shall be located within St. Louis County, Missouri, as determined by the Board, or at the

principal office of the Community Manager.

4.7 Member Not In Good Standing. If a Member is not a Member in Good Standing, such Member, automatically, shall be suspended from their right to vote and serve as a Director.

4.8 Board Standards. The Board shall be guided by the following standards:

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

4.8.2 Governance. In conducting its governance functions, the Board's decisions and actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

4.8.3 Operations. Operational standards of the Board and any committee appointed by the Board shall be the requirements set forth in the Governing Documents or the minimum standards which the Board may establish. Operational standards may evolve as the needs and demands of the Subdivision and the Association change over time.

ARTICLE FIVE **BOARD AND OFFICERS**

5.1 Designation. The officers of the Board shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board from among the Directors. The Board may elect other officers, as it deems reasonable, and such officers shall have the authority and perform the duties as prescribed by the Board. Any two or more offices may be held by the same person, except for President and Secretary.

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

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

5.4 Powers and Duties. The officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may be specifically conferred or imposed by the Board. The President shall preside

over meetings of the Association. Secretary shall keep all official records and minutes of the Board and Association and provide all required notices. The Treasurer shall maintain all financial records and facilitate preparation of the budget.

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

5.6 Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks and other instruments of the Association approved by the Board shall be executed by any officer or the Community Manager; provided, however, in the event of an emergency, the President shall have such authority as reasonably necessary under the circumstances to act on behalf of the Association.

5.7 Certification. The President and Secretary, or any other Director as authorized by the Board, shall be authorized to prepare, execute and record amendments to the Declaration, contracts and other instruments and documents on behalf of the Association, and the Secretary, or any other Director as authorized by the Board, shall be authorized to certify any instrument or document requiring certification.

5.8 Compensation. Compensation of officers shall be subject to the same limitations as compensation of Directors under Section 3.15.

5.9 Indemnification. As provided in the Declaration, except as may be otherwise provided in the NCA, or the Governing Documents, and except for their willful misconduct, the Members of the Association, the Board and Officers, acting within their authority, 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.

ARTICLE SIX **INSURANCE**

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

6.1.1 Property Insurance. As the Association has nominal improvement to Common Ground, the Association need not obtain and maintain property insurance covering any improvements on the Common Ground. The total amount of insurance shall be for the full 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

6.1.2 General Liability Insurance. General liability insurance against

claims and liabilities arising in connection with the ownership, existence, use, maintenance or management of the Common Ground in an amount sufficient in the judgment of the Board, insuring the Board, the Association, the Community Manager (if any), and their respective employees, agents and all persons acting as agents. The Members 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 and their interests in the Association. The insurance shall cover claims of one or more insured parties against other insured parties; and

6.1.3 Directors' & Officers' Insurance. Directors' and officers' liability insurance against claims and liabilities arising in connection with the Board's decisions, acts, and omissions, insuring the Directors, officers, and Community Manager, if any. Such insurance shall include nonmonetary defense; and

6.1.4 Fidelity Insurance. Fidelity insurance in an amount not less than one year's current assessments plus reserves calculated from the current Association budget. Unless the Community Manager is an employee of the Association, the Community Manager shall maintain fidelity insurance in an amount not less than one year's current assessments plus reserves calculated from the current Association budget. Such coverage shall include social engineering/false pretense coverage and wire transfer fraud or funds transfer fraud.

The Association may carry fidelity insurance in amounts greater than required herein, and may require said Community Manager to carry fidelity insurance in amounts greater than required herein.

6.1.5 Cyber-Threats. To the extent to be determined in the sole discretion of the Board, Cyber Liability and Data Breach Response Services coverage.

6.2 Additional Coverage. The Association may carry any other insurance it considers appropriate to protect the Association, Board or Members, or Association assets or property.

6.3 Unavailability or Cancellation. If any insurance described in Section 6.1 is not reasonably available, or if there is a material change or cancellation, the Association shall promptly notify the Members.

6.4 Required Insurance Provisions. Insurance policies carried pursuant to subsections 6.1.1 and 6.1.2 shall provide that:

6.4.1 Additional Insured. Each Member 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;

6.4.2 Subrogation. The insurer waives its right to subrogation under the policy against any Member or person in his household;

6.4.3 Scope. No act or omission by any Member, 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

6.4.4 Primary Coverage. If, at the time of a loss under the policy, there is other insurance in the name of a Member covering the same risk covered by the policy, the Association's policy provides primary insurance.

6.5 Adjusting Losses. Any loss covered by the property policy under subsection 6.1.1 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. Members 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.

6.6 Owner Insurance. Each Owner, at his own expense, shall be responsible for obtaining insurance for his own benefit. In the event of a loss commonly covered under Coverage A and B of a homeowners' insurance policy, the Owner shall promptly secure and restore the Residence. If such loss results in the Residence from being uninhabitable, the restoration shall be completed within one (1) year from the date of the casualty loss. If such loss does not result in the Residence from being uninhabitable, the restoration shall be completed within three (3) months from the date of the casualty loss.

6.7 Notice of Cancellation. An insurer issuing any policy under Sections 6.1 or 6.2 shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Member or holder of a Security Interest. Unless otherwise provided by statute, the insurer may not cancel or refuse to renew the policy until 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-day notice as otherwise stated herein.

6.8 Premiums. Premiums and other expenses for insurance obtained by the Association are Common Expenses.

ARTICLE SEVEN **GENERAL PROVISIONS**

7.1 Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally, or sent by

first class U.S. mail, postage prepaid, or by Email: to a Member, at his Lot unless the Member has designated a different address for mail or by Email, in writing and filed with the Secretary; or to the Association, Board, or Community Manager, at the principal office of the Association or the Community Manager, if any, or at such other address as shall be designated by the notice in writing to the Members pursuant to this Section.

7.2 Amendment. These By-Laws may be amended only as provided in the Declaration.

7.3 Severability. Invalidation of any one of the provisions of these By-Laws, by judgment, order or decree shall in no way affect any other provision of these By-laws, each of which shall remain in full force and effect.

7.4 Effective Date and Applicability. These By-Laws shall be effective upon adoption by a majority of the Members of the Association, and shall be applicable to events and circumstances occurring after such adoption.

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CERTIFICATION

We, the undersigned, being the President and Secretary of the Board of Directors of Coventry Farm Homeowners' Association, a Missouri nonprofit corporation, do hereby certify that the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted by the Members of the Association on the _____ day of _____, 201__ and supersede all prior By-Laws and amendments.

IN WITNESS WHEREOF, we have hereunto subscribed our names this _____ day of _____, 201__.

COVENTRY FARM HOMEOWNERS' ASSOCIATION

By: _____
Its President

[No Seal]

Attest: _____
Secretary