

BYLAWS
OF
KATY LAKE ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I
Name and Location

The name of the corporation is Katy Lake Estates Homeowners Association, hereafter referred to as "the Association". The principal office of the corporation shall be located in Columbia, Boone County, Missouri, or at such other place as the Association's Board of Directors shall from time to time designate.

ARTICLE II
Definitions

The following terms shall have the following meanings when used in these Bylaws:

Section 1. General Definitions. "Declaration" means the Complete Amendment and Restatement of Declaration of Covenants of Katy Lake Estates, executed by Lot Owners of Lots within Katy Lake Estates ("the Lot Owners") and recorded in the Real Estate Records of Boone County, Missouri.

Section 2. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III
Membership in the Association

Every Lot Owner of a Lot shall be a Member of the Association, and shall be subject to the jurisdiction of the Association, and shall be subject to assessments levied by the Association under the provisions of the Declaration, and shall be entitled to all rights and privileges of membership in the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation as members of the Association. There shall be one (1) membership in the Association appurtenant to the ownership of any Lot. Membership in the Association shall be appurtenant to and may not be separated from ownership of the Lot to which it is appurtenant. One (1) membership in the Association shall be appurtenant to each Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. Memberships in the Association cannot, under any circumstances, be partitioned or separated from ownership of a Lot subject to the jurisdiction of the Association. Any covenant or agreement to the contrary shall be null and void. No Lot Owner shall execute any deed, lease, mortgage or other instrument affecting title to his Lot ownership without including therein both his interest in the Lot and his corresponding membership in the Association, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage or instrument purporting to affect the one without including also the other, shall be deemed and taken to include the interest so omitted even

though the latter is not expressly mentioned or described therein.

ARTICLE IV
Voting Rights

There shall be one (1) vote attributable to each membership in the Association; meaning that there is one (1) vote attributable to each Lot within the Development.

ARTICLE V
Membership Meetings

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the corporation, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The annual meetings of the members of the Association shall be held at a reasonably convenient location within Columbia, Missouri selected by the Board, within 180 days following the first day of each calendar year, beginning with calendar year 2007. Annual meetings shall be held within the first 180 days of each such calendar year, at such times as the Board of Directors shall determine appropriate.

Section 3. Special Meetings. Special meetings of the membership maybe called at anytime for the purpose of considering matters which, by the terms of the Declaration, or by the terms of the Association' s Articles of Incorporation, or by the terms of these ByLaws, require the approval of some or all of the members, or for any other reasonable purpose. Said meeting shall be called by a written notice, authorized by a majority of the Board of Directors, or upon a petition signed by twenty percent (20%) of the members of the Association having been presented to the Association' s Secretary. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members of present, either in person or by proxy.

Section 4. Notice of Meetings. Except when otherwise provided by the Declaration and except when notice is waived as hereinafter provided, written or printed notice of any annual or special meeting of the members shall be sent by the Secretary of the corporation to all members by mailing the same, postage prepaid, at least ten (10) days and not more than forty (40) days prior to the meeting, addressed to the members at their respective addresses as recorded upon the membership books of the Association. Notice may also be accomplished by service of same upon the member at his Lot or last known address. Notice by either such method shall be considered as notice served. Any notice shall state the place, day and hour of the meeting and the purpose or purposes for which it is called. No notice of any annual or special meeting of the members is required if all members file with the records of the meeting written waivers of such notice. In the absence or disability of the Secretary, notice as provided for in this Section may be sent out by any such officer as may be designated by the Board of Directors.

Section 5. Waiver of Notice. Any member may waive notice of any membership meeting, either in writing or by telegram, signed by the member whether such member attends the meeting or not. The presence of a member at any membership meeting shall be deemed to constitute a waiver

by the member of notice to the meeting unless such member attends for the express purpose of objecting to the transaction of business at the meeting.

Section 6. Quorum. The presence of twenty percent (20%) of the members of the Association, either in person or by proxy, shall constitute a quorum for the transacting of business at all meetings of the members, unless a greater quorum is required for the transaction of the particular business by the Declaration. Unless otherwise specified by these ByLaws or the Declaration, or by the Association's Articles of Incorporation, or by law, decisions at membership meetings shall be by the majority vote of the members present. If a quorum is not present, a majority of the members present can adjourn the meeting to another date and time not less than forty-eight (48) hours from the time the original meeting was called, unless otherwise required by the Declaration at which time the quorum requirement shall be reduced by one-half(1/2). No notice of such date and time shall be required.

Section 7. Proxies. A member may appoint any other member, or the manager or managing agent of the Association, if any, as his proxy. In no case may any member cast more than one (1) vote by proxy. A proxy may be filed with the Secretary of the Association prior to a scheduled meeting date or submitted to the Secretary on the meeting date as long as it is prior to the actual start of the meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary of the Association or by the death of the member.

Section 8. Meetings. Convened, How. Every meeting of the members for what ever purpose, shall be convened and chaired by the Association's President, if he be present, otherwise by the Vice President, or in his absence or refusal to act by persons selected by the Board of Directors.

Section 9. Order of Business. The order of business at all annual meetings of the members shall be as follows:

- a. Roll call and certification of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers, if any.
- e. Reports of committees, if any.
- f. Election of inspectors in election.
- g. Election of directors.
- h. Unfinished business.
- i. New business.

In the case of special meetings, items a through d shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meetings.

ARTICLE VI Directors

Section 1. Number and Classification. The Board of Directors of the Association shall consist of three (3) Directors, five (5) Directors, seven (7) Directors, or some other odd number of individual Directors, as shall from time to time be established by the Board Of Directors of the Association, immediately prior to the Annual Meeting at which Directors are to be elected. In order to be qualified as a Director, a Director must own an ownership interest in a Lot. Directors shall be elected by the members of the Association. The following persons are the members of the currently serving Board of Directors of the Association, who shall serve terms ending with the following annual meetings:

- _____ shall serve terms ending with the first annual meeting of the members following the adoption of these Bylaws;

- _____ shall serve terms ending with the second annual meeting of the members following the adoption of these Bylaws;

- _____ shall serve terms ending with the third annual meeting of the members following the adoption of these Bylaws.

At the expiration of each term of office of each respective Director, such Director' s successor shall be elected to serve a term of three (3) years. Directors shall, in all events, hold office until their successors have been duly elected and have held their first annual meeting, and until such occurrence, shall possess all of the powers, authorities, duties, discretions and immunities of Directors, which is to say that a sitting Board of Directors shall serve until a new Board has been duly elected and has held its first meeting. There shall be no cumulative voting on Directors. In the event of a tie vote, the election to the office of Director shall be determined by lot or as the then-serving president of the Association shall otherwise determine, in the exercise of his or her reasonable discretion. If there is a tie vote, then the terms of offices of the Directors shall be determined by lot or as the then-serving president of the Association, in his or her sole and absolute discretion, shall determine appropriate. There shall be a single ballot or vote upon all Directors to be elected.

Section 2. Nominating Procedure. The Board of Directors may, in its sole and absolute discretion, constitute a "Nominating Committee," and may place names in nomination to fill the office of Directors. However, whether or not the Board so nominates persons to stand for election as members of the Board of Directors, persons to stand for election as members of the Board of Directors shall or may be nominated from the floor at the annual meeting of the members.

Section 3. Vacancies. The Board shall fill vacancies in its membership occurring between elections. A Board member, who is absent without sufficient cause (such sufficient cause being determined within the sole and absolute discretion of the remaining members of the Board by the majority vote thereof) from three (3) consecutive meetings of the Board may, at the option of the remaining members of the Board, be considered to have resigned, and such vacancies shall be filled by the unanimous vote of the remaining members of the Board; provided, however that before such option is exercised by the Board, such member shall be given at least eight (8) days written notice that the exercising of such option is an issue to be placed before the Board so that such Board

member shall have ample opportunity to appear before the Board to explain his absence from the meetings of the Board. For purposes of determining whether or not to exercise such option, the size of the Board of Directors shall be deemed to be reduced by one. Vacancies in positions on the Board filled by the vote of the membership shall be filled by the remaining Directors elected by the membership..

Section 4. Management. The management of the Corporation's business, funds, assets, deposits, properties and affairs shall be vested in the Board of Directors. The Board of Directors shall, however, if it in its sole and absolute discretion deems it advisable to do so, employ for the Association, a professional manager, management firm or managing agent, at a rate of compensation to be established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to those duties and services specified in the Declaration. The employment of such a manager, management firm or managing agent shall be upon such terms and conditions as set forth in Article V, paragraph 3 of the Declaration and as the Association's Board of Directors shall, in its sole and absolute discretion, elect.

Section 5. Term of Office. The term of office of Directors, who is hereafter elected, shall be three (3) years.

Section 6. Termination of Director. The term of any Director, who ceases to own an ownership interest in a Lot, shall cease when such Director ceases to own an ownership interest in a Lot. The term of any Director who becomes more than thirty (30) days delinquent in the payment of any assessments due under the Declaration, or any share of the common expenses, and/or carrying charges shall be automatically terminated. The remaining Directors shall appoint the successor for any Director whose term ends pursuant to this Section 6, as provided in Section 3 of this Article.

Section 7. Compensation. Directors, as such, shall not receive any stated compensation or salaries for their services as Directors.

Section 8. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors are elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any Director.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 14. Fidelity Bonds and Officers and Directors Insurance. The Board of Directors shall, if it in its discretion deems it appropriate to do so, require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds and may purchase Officers and Directors Liability Insurance, the cost of which shall be paid for from the Maintenance Fund or the assessments of members. The premiums on such bonds and insurance shall be paid by the Association.

Section 15. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by the Declaration or by these By-Laws, directed to be exercised and done by the members of the Association or by the Unit Owners. The property, funds and affairs of the Association shall be controlled and managed by the Board of Directors, which shall exercise all powers of the Association not reserved by these ByLaws or by the Declaration or Articles of Incorporation to the members of the Association or the Unit Owners. The Association's Board of Directors shall have the authority to employ, discharge and determine the compensation of such management personnel, management firm, managing agent, professional management and employees as in its opinion are needed to do the work of the Association; provided, however, that the Directors shall not delegate responsibilities, or employ managing agents or a management firm, except within those limitations specified by Section 4 of this Article.

Section 16. Telephone Meetings. A Director may attend a meeting of the Directors by speaker phone (telephone). Directors' meetings may be conducted by speaker phone or conference call on which all Directors are parties, or by video conferencing.

ARTICLE VII Officers

Section 1. Number. The officers of the Board and the Association shall consist of a

President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may, if it in its sole and absolute discretion determines appropriate, also choose and appoint one or more additional Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, and such additional officers and agents, if any, as it may deem necessary from time to time. Any person may fill more than one of the offices; provided, however, that no person may be both the president and the secretary. The Board may, for example, elect a single person as being the vice president, and the secretary. Such officers shall be selected by the Board of Directors at the organizational meeting of the Board of Directors following the annual meeting of the members of the Association. The President and Vice-President must be members of the Board of Directors. The Secretary and/or Treasurer and any Assistant Secretaries or Assistant Treasurers need not be members of the Board of Directors if the Board of Directors determines such to be the case.

Section 2. Term. The officers shall hold office at the pleasure of the Board of Directors, for a period of one (1) year from the date of their respective elections, and until their successors are duly elected and qualified.

Section 3. Vacancies. A vacancy in any office for any reason shall be filled by the Board of Directors at any meeting for the unexpired portion of the term.

Section 4. Removal from Office. Any officer or member of the Board of Directors may be removed from office by a declaration duly signed and notarized by two-thirds of the membership of the Association.

ARTICLE VIII

Duties of Officers

Section 1. General Powers. The officers shall have such power and authority in the control and management of the property and business of the Association as is usual and proper in the case of, and incident to, such corporate officers, except insofar as such power and authority is limited by these By-Laws, or by resolution of the Board of Directors.

Section 2. President. The President shall be the principal officer of the Association, and shall, in general, control and manage the property and affairs of the Association. He shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time. He shall sign all notes, agreements, conveyances or other instruments in writing made and entered into for or on behalf of the Association. He shall have all the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from time to time among the membership of the Association as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 3. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent and unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 4. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have custody of the seal of the Association; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 5. Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 6. Assistant Secretaries. The Assistant Secretaries, in order of succession, shall perform all of the duties of the Secretary in the event of the death, disability or absence of the Secretary, and such other duties, if any, as may be prescribed by the Board of Directors.

Section 7. Assistant Treasurers. The Assistant Treasurers shall, as to the funds entrusted to them, perform all of the duties of the Treasurers.

Section 8. Compensation of Officers. No officer shall receive any salary or other compensation for services rendered to the Association in his capacity as an officer of the Association. No remuneration shall be paid to any officer for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

ARTICLE IX

Liability and Indemnification Of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify (to the maximum extent permitted by the law of Missouri) every officer and director of the Association, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association or the Development (except to the extent that such officers or directors may also be Owners of Units) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right of indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or directors of the Association may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view of the interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including the Developer) in which one or more of the Directors of the Association are Directors or officers or are primarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee therefore which authorizes or approves the contract or transaction, or because of his or their votes as counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

a. The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or is noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

b. The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

c. The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereafter to authorize any contract or transaction with like force and effect as if he were not such Director or officer of such other corporation or not so interested.

ARTICLE X Management

Section 1. Management. The Association, by and through its Board of Directors, shall enforce the provisions of the Declaration and of these ByLaws, and shall perform all duties and obligations conferred upon the Association by the Declaration, and shall have all powers, privileges, powers and discretions conferred upon the Association by the Declaration, and shall pay out of the Maintenance Fund, established by the Declaration, for those articles, items, duties and services to be supplied and performed by the Association through the use of such funds under the terms of the Declaration.

Section 2. Manager or Managing Agent. The Association, by and through its Board of Directors, may delegate any of its duties, powers or functions to a manager or managing agent, provided that such delegation shall be revocable upon no more than six (6) months written notice. The Association, and its officers, and its Board of Directors shall not be liable for any omission or improper exercise by the manager or managing agent of any such duty, power or function so delegated.

Section 3. Duties to Maintain. The Association shall have the duty and obligation to

perform the repairs and maintenance imposed upon the Association and/or the Board of Managers by the Declaration. Each Unit Owner shall have the duty and obligation to perform the maintenance upon his, her or their Unit imposed upon him, her or them by the Declaration, and shall be required to perform with respect to each Unit, all maintenance not specifically imposed by the Declaration upon the Association and/or the Board of Managers. The Unit Owners upon whom collective obligations of maintenance, repair and replacement are imposed by the Declaration, shall have the duty and obligation, to the Association and all other Unit Owners, to perform or to cause to be performed the maintenance, repairs and servicing described in the Declaration.

Section 4. Limitation of Liability. The Association, and its Directors, and its officers, shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Maintenance Fund established by the Declaration, or for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner or occupant of any Unit for loss or damage by theft or otherwise of articles which may be stored upon any of the Common Elements. No diminution or abatement of maintenance fund assessments as provided for by the Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or the Units or the buildings located thereon, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority. The directors, officers and the employees of the Association, and the Association itself (except to the extent of the cost of procuring same), shall not be liable for any failure by the Association to provide or perform any management, maintenance, repairs, servicing, upkeep or other services, or to procure any insurance, required by the Declaration.

ARTICLE XI

Assessments

This ARTICLE XI of these ByLaws shall be identical in form and content to Article 6 of the Declaration, which such Article is incorporated herein by reference.

ARTICLE XII

Financial Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of each year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts for all funds collected by the Association shall be kept under the direction of the Treasurer, in accordance with good bookkeeping principals consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the funds collected and the administration of such funds.

Section 3. Auditing. Upon request by a majority of the Board of Directors of the Association, any Treasurer or Assistant Treasurer of the Association, whether present or past, shall submit his

or her books and records for audit by an independent Certified Public Accountant, retained by the Association at its expense, whose report shall be prepared and certified in accordance with generally accepted auditing principles. In lieu of any such audit by an independent Certified Public Accountant, the Association's Board of Directors may appoint an "audit committee." Such audit committee shall consist of one (1) director and two (2) members of the Association, who are not a members of the Board of Directors. If an audit committee is used, then the books and records shall be audited by such audit committee, which shall report to the Association's Board of Directors and its members.

Section 4. Inspection of Books. The books and accounts of the Association, or of the Treasurer or any Assistant Treasurer thereof, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, and/or their duly authorized agents or attorneys during normal business hours and for purposes reasonably related to their interests as members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President and by the Secretary, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Seal. The Board of Directors may, if it in its discretion deems it appropriate, provide a corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant Treasurer.

ARTICLE XIII **Insurance**

The Association's Board of Directors shall have the duty to obtain and maintain fire and casualty insurance to the extent reasonably available on any reasonably insurable improvements owned by the Association. The Association's Board of Directors, in its discretion, shall obtain, at the expense of the Association:

- a. Such other fire and casualty insurance and physical damage insurance as it finds to be appropriate;
- b. Such public liability insurance coverages and liability insurance coverages (in such amounts and for such limits) as it finds to be appropriate;
- c. Worker's compensation insurance coverages shall be maintained to the extent required bylaw, and may, if not required bylaw, nevertheless be maintained if the Directors, in their discretion, find it to be appropriate that such insurance be maintained in effect;
- d. Officers' and Directors' Liability Insurance Coverage, covering the Officers and Directors of the Association, to the extent the Board shall find to be appropriate;

- e. Such other insurance coverages as the Board finds to be appropriate in its discretion.

The Association's Board of Directors shall have the authority (but not the obligation) to enforce requirements imposed by the Declaration upon Unit Owners that Unit Owners obtain any insurance coverages.

ARTICLE XIV

Those provisions of these By-Laws, which also appear in the Declaration, may be amended only in that manner provided for the amendment of the Declaration by the Declaration. The remaining provisions of these By-Laws may be amended by the affirmative vote of a majority of the members present at any meeting of the members at which a quorum is present, and which is duly called for that purpose. Amendments may be proposed by the Board of Directors or by a petition signed by members representing at least twenty percent (20%) of the voting members. A description of any proposed amendment of these By-Laws or the Declaration shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XV

Conflict With The Declaration

Section 1. Conflict. In the event any of the provisions of these By-Laws, or any provision of an amended version of these By-Laws, conflicts with the terms and provisions of the Declaration in any way whatsoever, these By-Laws shall be deemed to be subordinate and subject to all provisions of the Declaration. All of the terms hereof except where clearly repugnant to the context, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

Section 2. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 3. Waiver. No restriction, condition, obligation or provision of these By-Laws or the Declaration shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 4. Captions. The captions contained in these By-Laws are for convenience only and are a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 5. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Adopted as the By-Laws of Katy Lake Estates Homeowners Association, a not-for-profit corporation of the State of Missouri, effective the _____ day of _____, 2007 (same being attached to the Declaration, as the first By-Laws of the Association).

MEMBERS OF THE BOARD OF DIRECTORS

John A. Wohlman
[Name printed]

Catherine Volmert
[Name printed]

B. Thomas Johnson
[Name printed]