

*determination of what constitutes normal, recurring maintenance and/or insurance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements of the Common Maintenance Area. The fund shall be established and maintained out of regular annual assessments.*

*(c) Special Assessment for Working Capital Fund. Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessments authorized above, the Association may, by a vote of two-thirds (2/3) of members, in the aggregate, who are voting in person or by proxy at a meeting called for this purpose, levy special assessments as follows: in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto may be assessed. The Association shall not commingle the proceeds of such special assessment with the assessment fund. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.*

*Section 4. Non-payment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-usurious rate of interest allowed by Missouri law or 10% per annum, whichever is less. The Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against the property. The lien shall be deemed perfected and choate when the assessment is levied and the lien may be enforced and foreclosed by civil action in the same manner as equitable liens and enforced and foreclosed under the common law of the State of Missouri. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his property.*

*Section 5. Subordinated Lien to Secure Payment and Performance. To secure the payment of the assessments established hereby and to be levied on individual Affected Lots as above provided, and the performance by the Owners of the Affected Lots of all of the duties, obligations and indebtedness of such Owners as set forth herein and in the Bylaws of the Association, there is hereby reserved a lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary; provided, however, that each such lien shall be specifically made secondary, subordinate and inferior to all liens, present and future, given, granted, and created by or at the insistence and request of the Owner of any such Affected Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Affected Lot; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Affected Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of the lienholder by prepaid U.S. registered mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, any such beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the holder thereof. Sale or transfer of an Affected Lot shall not affect the assessment lien. However, the sale or transfer of any Affected Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to*