

**BY-LAWS
OF
THE STALEY HILLS HOME OWNERS ASSOCIATION**

**ARTICLE 1
NAME AND LOCATION**

The name of the corporation is The Staley Hills Home Owners Association (the "Association"), a Missouri mutual benefit nonprofit corporation. The initial principal office of the corporation is located at Suite 100, 8300 N.E. Underground Drive, Kansas City, Missouri 64161, but may be changed from time to time by the Board of Directors.

**ARTICLE 2
DEFINITIONS, PURPOSES AND ASSENT**

2.1. **Definitions.** The definitions in Article 1 or elsewhere of the Declaration of Homes Association of Staley Hills (the "Homes Association Declaration") and in Article 1 or elsewhere of the Declaration of Covenants, Conditions, Restrictions and Easements of Staley Hills (the "Declaration"), executed by Hunt Midwest Real Estate Development, Inc. (the "Developer"), as amended from time to time, and recorded in the Office of the Recorder of Deeds of Clay County, Missouri, at Liberty (collectively, the "Declarations"), shall apply to these By-Laws, and all defined terms used in these By-Laws shall have the same meanings as the defined terms used in the Declarations. Additionally, as used herein, the term "Turnover Date" means the date on which the Developer's Class B Membership terminates pursuant to the provisions of the Homes Association Declaration.

2.2. **Purposes.** The Association is formed to (a) own and, as set forth herein, provide for the maintenance, repair, replacement, improvement, preservation and control of the Common Area which is a part of the Staley Hills Subdivision in Kansas City, Clay County, Missouri, according to the recorded plats thereof as it may be expanded by supplemental plats (the "Subdivision"), and which is, or will be, subject to the Declarations; (b) promote the health, safety and welfare of the Owners of the Lots in, and users of, the Subdivision; (c) generally conduct the business of a homes or home owners association; (d) engage in all lawful activity for which nonprofit corporations may be organized under the Missouri General Nonprofit Corporation Law; and (e) all other purposes set forth in the Articles and the Declarations.

2.3. **Assent.** All Owners, their families, tenants, guests and invitees and all other people using the facilities of the Subdivision in any manner are subject to the terms and provisions of the Association Documents, including these By-Laws. The acquisition of any Lot or Residence in the Subdivision, or the occupancy of any Lot or Residence, shall constitute ratification and acceptance of these By-Laws.

**ARTICLE 3
MEMBERSHIP**

3.1. **Membership in The Association.** The Owner of each Lot within the Subdivision shall be a Member of the Association. If a Lot is owned by more than one Owner, all Owners of the Lot, collectively, shall be deemed the Member of the Association for such Lot. If a Lot is owned by a corporation, partnership, limited liability company or other entity, such entity may designate the natural person who may, on behalf of the entity, exercise its powers and rights as an Owner. The Association shall be the sole judge of the qualifications of its Members and of their right to participate in its meetings and proceedings.

3.2. **Transfer of Membership.** Membership is appurtenant to, and may not be separated from, ownership of any Lot. An Owner may not transfer, pledge or alienate membership in the Association in any way except in connection with the sale or encumbrance of the Lot and then only to the purchaser or Mortgagee of the Lot. Upon the sale of a Lot, the membership associated with the Lot shall automatically transfer to the purchaser of the Lot, or the purchaser's Mortgagee if so designated by the purchaser.

3.3. **Proof of Membership.** All Owners other than the Developer shall furnish to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting the Owner with an ownership interest in a Lot. The Secretary shall retain the instrument in the files of the Association. Fractional interest voting is not

permitted. Only Owners who have complied with the terms of this Section 3.3 shall be Members in good standing and entitled to vote on matters presented to the Members.

3.4. **Classes of Members.** Members shall either be Class A Members or Class B Members. Class A Members shall be all Owners of Residences except the Developer during the period of its Class B Membership. Class B Members shall be the Developer and all Successor Developers, if any, who own any Lot for the purpose of development and sale. All Class B Memberships shall terminate and automatically be converted to Class A Memberships, as applicable, upon the Turnover Date. Upon termination of the Class B Membership, the Developer and all Successor Developers, if any, which own any Lots at the time shall, for all purposes, be automatically converted to Class A Members for each Lot it (or they) then owns.

ARTICLE 4 MEETINGS, QUORUM, VOTING, PROXIES

4.1. **Annual Meetings.** The first annual meeting of the Members shall be held within one (1) year after the date of incorporation of the Association. Each subsequent annual meeting of the Members shall be held during the month of November of each year on such date and at such time as set by the Board of Directors or such other month as may be determined from time to time by the Board of Directors.

4.2. **Special Meetings.** Special meetings of the Members may be called at any time by the President, the Board of Directors or any Class B Member or upon the written request to the Secretary of the Association by Members entitled to cast at least twenty percent (20%) of all Class A votes. The written request from Class A Members shall set forth the purposes of the requested meeting and shall contain the name, address and signature of the requisite number of Owners.

4.3. **Notice of Meetings.** Written notice stating the place, day and hour of each meeting shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notices of all special meetings shall also state the purpose of the meeting. Notices shall be delivered at the direction of the Secretary, either personally or by first-class or registered mail, to each Member's address shown on the Association's records. Notices mailed shall be deemed delivered when deposited in the United States mail, postage prepaid. Notices personally delivered shall be deemed delivered upon tender of delivery to the Member or to any resident or adult present at the address of the Member shown on the Association's records.

4.4. **Waiver of Notice.** Any notice required to be given by the Articles, these By-Laws or by law may be waived, in writing, before or after the time of such meeting, whether or not the Member attends the meeting. The presence of a Member, in person or by lawful proxy, at any meeting shall be a waiver of all required notices unless a Member's attendance is for the express and sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and the Member expresses that purpose when the meeting is commenced. If the Member otherwise participates in the meeting, either before or after challenging its validity, or remains at the meeting after challenging its validity, the Member shall be deemed to have waived all required notices of the meeting.

4.5. **Quorum.** Except as specifically provided in the Articles, these By-Laws or applicable law to the contrary, the presence, in person or by proxy, at a meeting of Members having ten percent (10%) of the votes entitled to be cast on a matter at the meeting, shall constitute a quorum for any action appropriately before the meeting; provided, however, that unless one - third (1/3) or more of the Members having voting power are present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of Members are those matters described in the meeting notice.

4.6. **Adjournment.** Any meeting of Members may be adjourned, from time to time, until its business is completed. The Members present at any meeting, or any adjourned meeting, though less than a quorum, may adjourn the meeting to a specified date not longer than thirty (30) days after such adjournment, without notice of the date for reconvening other than announcement at the meeting. No adjourned meeting may be reconvened more than thirty (30) days after the original date of the meeting. Subject to the foregoing limitations, a meeting may be adjourned and reconvened any number of times. At any reconvened meeting, at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

4.7. **Voting Rights: Required Vote.** Except as otherwise provided herein, including in Section 4.13 below, all Owners shall be entitled to vote on Association matters requiring a vote under this Declaration. On all matters to be voted on by the Members, Class A Members shall have one (1) vote for each Lot owned and Class B Members shall have twenty (20) votes for each Lot owned and twenty (20) votes for each one-quarter (1/4) acre of Unplatted Land owned by such Class B Member. If more than one (1) Owner exists for any Lot, the vote for such Lot shall be exercised as the Owners determine among themselves and as they notify the Secretary of the Association in writing. Fractional votes shall not be permitted and there shall be only one (1) vote cast with respect to any Lot.

4.8. **Proxies.** A Member may appoint any person as the Member's proxy by written instrument delivered to the Secretary of the Association. A proxy shall be valid for all meetings commencing after delivery of the proxy to the Secretary and thereafter until it expires or is revoked, in writing delivered to the Secretary, by the Member. A proxy shall be valid for no more than eleven (11) months from the date of its execution unless otherwise provided in the proxy; provided, however, under no circumstance, shall a proxy be valid for more than three (3) years from its original date.

4.9. **Voting by Written Ballot.** Any action which could be taken at a regular or special meeting of the Members may be taken without a meeting by written ballot delivered by the Association to all Members. In addition to meeting the requirements of applicable law, a vote by written ballot shall be permitted only upon approval thereof by the Board of Directors. The written ballot shall (i) be delivered in the same manner as set forth in Section 4.3 hereof for notices of meetings, (ii) state the date by which ballots must be returned in order to be counted, which date shall be at least twenty (20) days after the date the written ballot is delivered by the Association and (iv) the address or location to which all completed votes shall be returned.

4.10. **Place of Meetings.** Meetings of Members and Directors may be held at any place within the State of Missouri designated by the Board of Directors.

4.11. **Conduct of Meetings.** The President (or in his or her absence, any Vice President) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record all resolutions adopted at any meeting and all transactions occurring at such meeting. The presiding officials shall conduct each meeting in a manner they determine is reasonable under the circumstances, provided each Member is given a reasonable opportunity to be heard on matters properly before the meeting. Unless provided to the contrary in the Articles or these By-Laws, or by law or vote of the Members at the meeting, Roberts Rules of Order or other parliamentary rules shall not govern the conduct of any meeting. The Articles, these By-Laws and applicable law shall control all conflicts with any parliamentary rules adopted for a meeting.

4.12. **Action Without a Meeting.** Subject to the provisions of Section 4.13 below, any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if a written consent, setting forth the action taken, is signed by at least eighty percent (80%) of the Members entitled to vote, with Class A and Class B Members voting as a single class.

4.13. **Developer's Control of Association Prior to Turnover Date.** Notwithstanding anything in this Article 4 or elsewhere in these By-Laws or the Articles to the contrary, until the Turnover Date, the Developer shall maintain absolute and exclusive control over the Association, including appointment, election and removal of all directors and officers of the Association and Members of the Review Board, the preparation of all budgets and determination of Assessments. Until the Turnover Date, only the Developer shall be entitled to cast any votes with respect to the election and removal of Association directors and officers and Members of the Review Board and any other matters requiring the vote or approval of Members or Owners. The Developer may (but shall not be required to) at any time relinquish all or any part of the Developer's control and rights under this Section 4.13 and applicable provisions of the Declarations.

ARTICLE 5 BOARD OF DIRECTORS

5.1. **Number; Qualification.** The regular affairs of the Association shall be managed by a Board of Directors having not less than three (3) or more than nine (9) Directors. Except as provided in Section 5.2 hereof, Directors shall be Members of the Association or the proxies of Members appointed under Section 4.8 above. The

number of the Board of Directors shall be established from time-to-time by amendment to these By-Laws. Until these By-Laws are amended, the number of members of the Board of Directors shall be three (3).

5.2. **Term of Office** After the terms of the initial Directors as set forth below in Section 5.3, Directors shall be elected to three-year terms, with the terms of the Directors staggered so at least one-third (1/3) of the Board is elected each year. If the number of Directors is increased or decreased in the future, the term of the position added or deleted shall be designated by the Board in such a manner so that approximately one-third (1/3) of the Directors are elected each year. Each Director shall hold office until such Director's successor is elected and qualifies.

5.3. **Election: Initial Directors** During all times Class B Members exist and until the Turnover Date, all Directors shall be elected or appointed solely by vote of the Class B Members (i.e. the Developer). Directors elected or appointed by the Class B Members need not be Members. At all times during which no Class B Members exist, the Directors shall be elected by all Members at the annual meeting of the Members, without cumulative voting. The persons receiving votes in an election for open Director positions shall be ranked by the number of votes received. The person receiving the most votes shall be elected to the position with the longest term, if the positions being elected have different length of terms, the second ranking vote-getter receiving the position with the next longest term and continuing in this manner until all open positions up for election have been filled. Voting for Directors shall be by secret written ballot.

The name, addresses and current terms of the current Board of Directors are as follows:

<u>Name</u>	<u>Addresses</u>	<u>Term Expires</u>
Lee A. Derrough	Suite 100 8300 N.E. Underground Drive Kansas City, Missouri 64161	November, 2008
Ora H. Reynolds	Suite 100 8300 N.E. Underground Drive Kansas City, Missouri 64161	November, 2009
Tamara S. Henderson	Suite 100 8300 N.E. Underground Drive Kansas City, Missouri 64161.	November, 2010

5.4. **Resignation and Removal of Directors** Subject to the provisions of Sections 4.13 and 5.3 above, a Director may resign at any time by giving written notice to the other Directors and the Secretary of the Association stating the effective date of such resignation. Any Director shall automatically be removed if he or she sells or transfers his or her Lot and no longer is a Member. Directors may be removed and vacancies on the Board may be filled as follows:

(a) Any Director may be removed, with or without cause, at a regular or special meeting of the Members by a majority of votes of the Members entitled to vote for a successor. A successor to any Director so removed may be elected at such meeting to complete the term of the removed Director. A Director whose removal is proposed by the Members shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

(b) Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any Assessment for more than thirty (30) days may be removed by a majority vote of the Directors present at a regular or special meeting at which a quorum is present. A successor may be appointed by the Board to complete the term of the removed Director.

(c) Upon the death, disability, or resignation of a Director, the Board may appoint a successor to complete the term of the vacated position.

5.5. **Compensation.** No Director shall receive compensation for service rendered to the Association. Upon approval of the Board of Directors, Directors shall be reimbursed by the Association for actual expenses incurred in the performance of his or her duties as a Director. The Directors may adopt guidelines for reimbursement of such expenses.

5.6. **Action Taken Without a Meeting.** By written approval signed by all Directors, the Directors may, without a meeting, take any action which they can take at a meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 6 MEETINGS OF DIRECTORS

6.1. **Regular Meetings; Annual Meeting.** Regular meetings of the Board of Directors shall be held on such dates and at such times and places as fixed by the Board from time-to-time. By notice to the Directors or as approved at any meeting of the Directors, the date, time or place of any regular meeting may be changed by the President or a majority of the Board. Such notice shall be in the same form and given in the same manner as a notice of a special meeting. The annual meeting of the Directors shall be held immediately following the annual meeting of the Members.

6.2. **Special Meetings.** Special meetings of the Board of Directors may be called by the President or a majority of the Board upon notice to all Directors. Written notice stating the place, day, and hour of each special meeting shall be delivered at least three (3) days before the date of the meeting. Notices of all special meetings shall also state the purpose of the meeting. Notices shall be delivered at the direction of the Secretary, either personally or by first-class or registered mail, to each Director's address shown on the Association's records. Notices mailed shall be deemed delivered when deposited in the United States mail, postage prepaid. Notices personally delivered shall be deemed delivered upon tender of delivery to the Director or to any resident or adult present at the address of the Director shown on the Association's records.

6.3. **Waiver of Notice.** Any notice required to be given by the Articles, these By-Laws or by law may be waived, in writing, before or after the time of such meeting, whether or not the Director attends the meeting. The presence of a Director at any meeting shall be a waiver of all required notices unless the Director's attendance is for the express and sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and the Director expresses that purpose when the meeting is commenced. If the Director otherwise participates in the meeting, either before or after challenging its validity, or remains at the meeting after challenging its validity, the Director shall be deemed to have waived all required notices of the meeting.

6.4. **Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Except as otherwise provided in the Articles, these By-Laws or by applicable law, every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Directors may not act by, or appoint, a proxy for any action to be taken by them in their capacity as a director.

ARTICLE 7 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1. **General.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may take all action in exercise of such powers unless prohibited or exclusively reserved to the Members or the Developer in the Articles, these By-Laws, the Declarations or applicable law.

7.2. **Specific Powers and Duties.** Without limiting the generality of powers and duties set forth in Section 7.1, the Board of Directors shall have the following powers and duties:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declarations;

(b) To establish, make, amend and enforce compliance with such rules and regulations as are reasonably necessary for the operation, use and occupancy of the Subdivision, subject to the provisions of the Declarations. A copy of such rules and regulations shall be delivered or mailed to each Member promptly after adoption;

(c) To maintain and keep in good order, condition and repair the Common Area and all items of personal property, if any, used in the enjoyment of the Common Area. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declarations or these By-Laws;

(d) To fix, determine, assess and collect the Annual, Special and Default Assessments, Fines and Lien Fees and to decrease or increase the amounts thereof, as provided in the Declarations;

(e) To collect delinquent Assessments or Delinquencies by suit or otherwise, to enjoin or seek damages from an Owner as provided in the Declarations and these By-Laws and to exercise other remedies for delinquent Assessments or Delinquencies as set forth in the Declarations;

(f) To borrow funds (including from the Developer) in order to pay for any expenditure required or permitted under the Declarations or these By-Laws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, the Board shall not borrow more than \$25,000 or cause the Association to be indebted for more than \$25,000 at any one time without the prior approval of (i) the Developer prior to the Turnover Date or (ii) after the Turnover Date, at least sixty-six and two-thirds percent (66 2/3%) of the Class A Members;

(g) To enter into contracts within the scope of the Board's duties and powers;

(h) To establish one or more bank accounts for the operating and other accounts of the Association and for all separate funds which are required or may be deemed advisable by the Board of Directors;

(i) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses and disbursements of the Association and to permit examination thereof by Members or their Mortgagees at convenient weekday business hours;

(j) To cause all private street lights, access roads, parking areas and driveways in and to the Subdivision and across the Property to be maintained, except as otherwise provided under the Declarations; provided, however, the Board of Directors shall undertake such activities for areas outside of the Common Area only in its sole discretion;

(k) To hire Managers and other persons, firms and entities to perform any of the duties, powers or obligations set forth herein or in the Declarations, including the Developer or its affiliates as long as the fees and charges for their goods and services are fair and reasonable and on such terms no less favorable to the Association than would be obtained in an arm's-length transaction; and

(l) To have and exercise the powers and duties set forth in Section 4.1 of the Homes Association Declaration and elsewhere in the Declarations.

7.3. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Cash accounts of the Association shall not be commingled with any other accounts; provided, however, that if a Manager is hired by the Board, such Manager may commingle cash accounts of the Association with other of such Manager's accounts so long as the funds are held in an insured financial institution;

(b) Nothing of more than nominal value shall be accepted by the Board of Directors from vendors, independent contractors or others providing goods or services to the Association, whether in the form

of commissions, finder's fees, services fees, prizes, gifts or otherwise, except Directors who are employees of the Developer may accept compensation from the Developer;

(c) All financial and other interests which a member of the Board of Directors has in any firm, other than the Developer, providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(d) On an annual basis, financial reports shall be prepared for the Board of Directors containing:

(i) an income statement reflecting all income and expenses for the preceding year;

(ii) an account activity statement reflecting all receipt and disbursement activity for the preceding year; and

(iii) a delinquency report listing all Owners who have been delinquent during the preceding year in paying any installment of any Assessments, Fines or other Delinquencies and who remain delinquent at the time of the report, and describing the status of any action to collect such Delinquencies;

(e) A balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year shall be distributed to the Members. At the written request of any Owner or Mortgagee, such statements shall be audited at the requesting party's sole expense. Any such audited statements shall be delivered to the Owner requesting the report and to the Association and other Members upon payment of a reasonable fee for copying; and

(f) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts) shall be prepared for the Board periodically and available to all Members on an annual basis.

7.4. **Hearing Procedure.** The Board shall not impose a fine, lien fee, suspend voting rights or suspend any other rights of a Member for any violation of rules and regulations or of other provisions of the Association Documents by the Member, or person residing with or visiting the Member, unless and until the following procedure is followed:

(a) Written demand to the Member to cease and desist from the alleged violation shall be served upon the Member specifying:

(i) the alleged violation;

(ii) the action required to be taken or refrained from continuing in order to abate the violation; and

(iii) the time period of not less than two (2) days for the Member to abate the violation if such violation is a continuing one, or to deliver to the Board a statement that no similar violation will occur if the violation is not a continuing one.

(b) If the violation continues unabated after the period allowed in the demand for abatement thereof or if the same violation reoccurs at any time within twelve (12) months of the original demand, the Board shall serve the Member in violation with written notice of a hearing to be held by the Board. The notice shall contain:

(i) the nature of the alleged violation;

(ii) the time and place of the hearing, which time shall be not less than ten (10) days from the time notice is given;

(iii) an invitation to attend the hearing to produce any statement, evidence and witness on the Member's behalf; and

(iv) the proposed sanction to be imposed.

(c) The hearing shall be held pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the Member affected appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any. Written and oral evidence may be presented. The presenting party shall provide copies of any written evidence to any other party or parties involved in the matter or dispute under review at the hearing. The decision of the Board shall be final and not subject to appeal to the Members, any court or other entity or tribunal.

These procedures are not necessary to impose any sanction, penalty or lien for nonpayment of a Delinquency.

ARTICLE 8 OFFICERS AND THEIR DUTIES

8.1. **Enumeration of Officers.** The officers of the Association shall be a President, one or more Vice Presidents if and as determined by the Board, a Secretary, a Treasurer and such other officers as the Board may, from time-to-time, create or elect by resolution. No officer of the Association need be a member of the Board of Directors.

8.2. **Election; Term.** Officers shall be elected at the annual meeting of the Board of Directors. Officers shall hold office for one year or until his or her successor is duly elected and qualified or his or her earlier death, resignation, removal from office or disqualification to serve.

8.3. **Resignation and Removal.** Subject to the provisions of Section 4.13 above, the Board of Directors may, at any time, remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective.

8.4. **Vacancies.** Subject to the provisions of Section 4.13 above, a vacancy in any office may be filled by election by the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer replaced.

8.5. **Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices specifically enumerated in Section 8.1 hereof.

8.6. **Duties.** The duties of the officers are as follows:

(a) The President shall: (i) preside at all meetings of the Members, (ii) carry out the resolutions adopted by the Board of Directors, (iii) sign all leases, mortgages, deeds and other written instruments and agreements, (iv) co-sign all checks in excess of One Thousand Dollars (\$1,000) and promissory notes and (v) perform all other functions generally performed by presidents of similar nonprofit corporations.

(b) The Vice Presidents, in order of seniority if more than one is in office, shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act. Vice Presidents shall also (i) co-sign all checks in excess of One Thousand Dollars (\$1,000), (ii) undertake those matters assigned by the President and (iii) exercise and discharge such other duties as required by the Board.

(c) The Secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, (ii) serve notice of meetings of the Board and of the Members, (iii) keep appropriate current records showing the names and addresses of the Members, including copies of all deeds or other records evidencing their membership and (iv) perform such other duties as required by the President or the Board of Directors.

(d) The Treasurer shall (i) receive and deposit all monies of the Association in appropriate bank accounts, (ii) disburse Association funds as directed by resolution of the Board of Directors or direction of the President, (iii) sign all checks and promissory notes of the Association, (iv) keep proper books of account, (v) prepare or cause the preparation of an annual budget and the financial statements required by Section 7.4 hereof and deliver or make copies available of each to the Members and (vi) perform such other duties as required by the President or the Board of Directors.

ARTICLE 9 COMMITTEES

9.1. **Architectural Review Committee.** Prior to the Turnover Date, the Developer shall select the members of the Architectural Review Committee (the "Review Committee") as set forth in the Declarations. At such times, the Review Committee shall be composed of at three (3) members who need not be Members or Directors and who may be compensated by the Developer. After the Turnover Date, the Board of Directors shall appoint the Review Committee as provided in the Declarations, which shall be composed of at least three (3) Members. Up to one-third (1/3) of the total members of the Review Committee (a) need not be a Member and (b) may be compensated by the Association for his or her services. The remaining member(s) of the Review Committee shall be either members of the Board of Directors or Members, as the Board determines. The members of the Review Committee shall serve at the pleasure of the Board of Directors and may be removed or replaced at any time. The initial members of the Board of Directors shall be the initial members of the Review Committee. With respect to the Review Committee, the Declarations shall control any conflict between the terms thereof and of these By-Laws.

9.2. **Other Committees.** The Board of Directors may appoint such other committees as it deems appropriate or desirable in carrying out its powers, duties and purposes.

ARTICLE 10 INDEMNIFICATION

The Association shall indemnify, hold harmless and defend the members of the Board of Directors, the officers of the Association, the members of Board committees, including the Review Committee, and all other persons specifically identified by resolution of the Board of Directors to the greatest extent permitted by the Missouri Nonprofit Corporation Act. The Board of Directors may purchase insurance to satisfy, in whole or in part, the foregoing indemnification obligations.

ARTICLE 11 AMENDMENTS

During any time the Association has Class B Members (i.e. prior to the Turnover Date), any provision of these By-Laws, including this Article 11, may be amended, modified, altered, changed, canceled or revoked only by the Developer. At all other times, these By-Laws may be amended, modified, altered, changed, canceled or revoked by the affirmative vote of a majority of all Class A Members except those provisions that require, by their terms, a greater percentage of the Members to approve the matters addressed in the provision. Those provisions requiring the approval of a greater percentage of the Members may be amended, modified, altered, changed, canceled or revoked only with the approval of such greater percentage of the Class A Members. The terms of this Article 11 may be amended, modified, altered, changed, canceled or revoked (i) prior to the Turnover Date, only by the Developer and (ii) after the Turnover Date, only with the approval of at least sixty-six and two-thirds percent (66 2/3%) of the Class A Members.

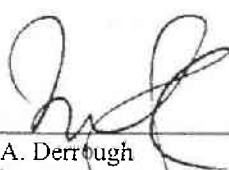
**ARTICLE 12
MISCELLANEOUS**

12.1. **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date the Association is incorporated.

12.2. **Conflicts of Documents.** In the case of any conflict between the Articles and these By-Laws, the Articles shall control. Any conflict between the Declaration and these By-Laws shall be controlled by the Declaration.

12.3. **Dissolution.** The Association shall exist perpetually; however, it may be dissolved upon the consent of Members holding not less than sixty-six and two-thirds percent (66 2/3%) of the votes of each class of Members. Upon dissolution of the Association, except as the result of a merger or consolidation, the assets of the Association shall be dedicated to an appropriate municipality or public corporation or agency to be used for purposes similar to those for which this Association was created. If such body does not accept such dedication, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization devoted, or to be devoted, to similar purposes.


The undersigned members of the initial Board of Directors have adopted these By-Laws by executing the same this 16th day of ~~January~~ ^{June}, 2005.



Lee A. Derrough



Orl H. Reynolds



Tamara S. Henderson