

BYLAWS
OF
EMBASSY PARK HOME OWNERS ASSOCIATION, INC.

ARTICLE I

Purpose

Section 1-1. The purpose of this corporation is to unite the property owners in a subdivision of land known as “Embassy Park” located in Platte County, Kansas City, Missouri, developed by Peterson Development Company, Inc. (“Developer”); to encourage civic improvements in said subdivision and vicinity; to promote community activities and interest in said subdivision and vicinity; to enforce, supervise, carry out and fulfill any and all restrictions or covenants now or which may hereafter run with the land in said subdivision; to provide for and carry out any service, improvement or benefit for the members which the Board of Directors, the officers of this corporation or the membership shall have duly authorized or approved, according to the Articles and Bylaws of this corporation which are not contrary to law.

ARTICLE II

Section 2-1. “Developer” shall mean and refer to Peterson Development Company, Inc., and any successors and assigns acquiring more than one undeveloped, platted lot from Developer for the purposes of development.

Section 2-2. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of any of the properties developed at various times in Platte County, Missouri, by Developer and restricted by Developer so as to require membership in this association. The term “owner” shall include contract sellers, but shall exclude those having such interest merely as security for the performance of an obligation.

Section 2-3. “Assessment” shall mean and refer to any act of the Board of Directors of the association taken pursuant to applicable restrictions and to the Articles and Bylaws requiring the payment of specified sums by owners by a specified date or dates. The term “assessment” shall include annual or periodic payments also called “dues,” as well as one-time assessments.

Section 2-4. “Regular member” shall mean and refer to an “owner” who has complied with all conditions of membership. The terms “regular member” and “member” shall be synonymous for purposes of these Bylaws.

Section 2-5. “Yearly maintenance dues” shall mean and refer to the amount charged and assessed regular members to provide funding for the operating budget of the clubhouse/pool amenity and/or other amenities. The yearly maintenance dues shall be established at such level as deemed appropriate by the Board of Directors in its discretion. All owners shall be

responsible for the payment of yearly maintenance dues, regardless of whether they elect to use the amenity in question.

ARTICLE III

Office

Section 3-1. The principal office of this corporation and any temporary office or meeting place of this corporation shall be determined by the Board of Directors at their discretion.

ARTICLE IV

Meetings

Section 4-1. Regular. There shall be one regular meeting of the membership yearly, to be held between April 1 and November 15 at such time and place as designated by the Board of Directors. This meeting shall be considered the annual meeting, at which time new directors may be elected. Any other business may also be transacted at this meeting.

Section 4-2. Special Meetings. Special meetings may be called at any time by the Board of Directors, by the Developer, or by twenty-five percent (25%) of the regular membership.

Section 4-3. Notice. The Secretary shall notify all members of the association in writing, as shown on the corporation's records, not later than five (5) days before any regular or special meeting. Such notice may be provided by mail, or by hand delivery to the residence of each member, as may be determined by the officers of the corporation.

Section 4-4. Order of Business. The order of business at any meeting of the association shall generally be as follows:

- a. Verification of the provision of notice pursuant to these Bylaws.
- b. Roll call of officers or directors.
- c. Reading of the minutes.
- d. Report of officers or directors.
- e. Report of any committee.
- f. Old business.
- g. New business.
- h. For the good of the corporation.
- i. Adjournment.

ARTICLE V

Common Area Maintenance

Section 5-1. The corporation shall have the responsibility of maintaining common areas of the subdivision, including those areas, which are reserved as private open spaces pursuant to Section 31.32 of the Code of General ordinances of Kansas City, Missouri. The corporation

shall have the responsibility of receiving title and ownership of any property or facilities transferred to the corporation by the Developer, whether transferred with or without specific conditions or restrictions, and the corporation shall have the responsibility of maintaining such property and facilities, and observing any conditions or restrictions established by Developer.

ARTICLE VI

Quorum

Section 6-1. Quorum of Members. The members present in person or by proxy at the annual meeting of the membership, after proper notice has been provided pursuant to these Bylaws, shall constitute a quorum.

Section 6-2. Quorum of Directors. One more than one-half of the directors shall constitute a quorum of directors.

ARTICLE VII

Voting and Proxies

Section 7-1. Voting. Subject to the provisions below, each member of this corporation entitled to vote pursuant to these Bylaws shall, at every meeting of the membership, be entitled to vote in person or by proxy upon each subject properly submitted to a vote of the membership. Except in the case of certain lots owned by the Developer as specified herein, one vote may be cast for each lot owned. The Developer shall be entitled to exercise forty (40) votes for each lot owned by the Developer in the First, Fifth, Sixth & Seventh Plats of Embassy Park and all subsequent plats. With the exception of the Developer, no owner shall be entitled to vote with regard to any lot unless the lot is subject to the payment of assessments and dues.

Section 7-2. No proxy shall be deemed operative unless and until signed by the member and filed with the Secretary of the corporation. The member to whom the proxy was given, which must be indicated, shall be entitled to vote on all business properly submitted at the meeting as indicated on the proxy.

Section 7-3. Ownership. The term "owner" shall refer to the record owner(s) of any lot which has been restricted by the Developer to require membership in this association. Each owner whose membership is in good standing as of the last day of the month preceding the meeting at which the votes are to be cast, shall be entitled to vote. When more than one person holds such interest or interests in any lot, all such persons shall be members and the vote for the lot shall be exercised as they may determine among themselves, but in no event shall more than one vote be cast for any lot, except for certain lots owned by the Developer as specified in Section 1 of this article. Notwithstanding the foregoing, the membership rights (including voting rights) of any member obligated to pay dues and assessments may be suspended by action of the Board of Directors if the member has failed to pay when due any assessment or charge lawfully imposed upon him/her on any property owned by him/her.

ARTICLE VIII

Membership, Dues and Assessment

Section 8-1. Membership.

- a. Regular Members. Any owner shall be entitled to become a regular member, with all privileges, benefits and rights of said corporation, subject to the provisions of these Bylaws. A regular member shall be entitled to exercise voting rights in accordance with the provisions of these Bylaws.
- b. Developer membership. The Developer shall be considered a special member, and shall be entitled to vote as specified herein, without having to make application for membership and without being liable for the payment of assessments and dues. The membership rights of the Developer may be assigned to any party acquiring multiple lots within the platted property for purposes of development.

Section 8-2. Procedure.

- a. The applicant shall complete the respective application for regular, parity, or annual membership as provided by the Board of Directors. Such application shall require the disclosure of reasonably appropriate information such as the number and identity of persons in the household desiring to use any amenity.
- b. The application shall be submitted to the Board of Directors with the requisite dues or assessments, if any, for approval in form of the application. If the application contains the information required by the Board of Directors, the applicant shall be recognized as a member in accordance with the type of application submitted, provided all other membership requirements are met.
- c. If any application is not submitted or is deemed insufficient by the directors, the board may deny the member voting privileges and the use of amenities until the insufficiency is resolved. Such circumstance will not, however, affect the responsibility of paying assessments.

Section 8-3. Dues and Assessments. The Board of Directors may, at any general or special meeting, set any dues, and adopt any assessment, at any figure deemed appropriate by the directors, without prior notice to the membership of the association. Each owner or group of owners having fee simple title to any lot improved by a residential structure, which has been occupied, shall be responsible to pay the dues and other assessments (including yearly maintenance dues) duly established pursuant to the provision of the association. No owner shall be required to pay any assessments with regard to any undeveloped lots or with regard to any lot having residential structures, which have not been occupied unless the owner shall have consented in writing to the payment of such assessments. "Occupied" shall refer to property which has been, at any time since the property was platted, occupied as a residence by one or more persons. Notwithstanding the foregoing, nothing herein shall be construed to require the

payment of assessments with regard to a model home used by a builder or developer for show purposes, or with regard to a speculative home constructed by a builder for purposes of sale, even if the property is also used as a residence on a temporary basis.

- a. Payment. The dues or assessments of all regular members shall be payable annually on the first day of January of each year, unless otherwise specified by the Board of Directors. An application for any membership shall be accompanied with the requisite dues and/or assessment. The failure of an applicant for parity or annual membership to so submit the appropriate dues shall preclude the Board from considering the application. The failure of an applicant for regular membership to so submit said dues or assessment shall not preclude the Board from considering the application, but shall result in the suspension of all voting rights and rights to the use of any amenities until said amounts are paid in full.
- b. Default. Any member in default in payment of the yearly dues or any other duly authorized assessment shall be ipso facto suspended from all services, privileges, rights or benefits of the membership including use of amenities. The membership rights of such defaulting member shall remain in suspense indefinitely until all amounts due have been recovered by the association. Any dues or assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum compounded annually.

In addition to having the authority to suspend the membership rights of any defaulting owner, the corporation shall be entitled to enforce the collection of assessments through lien rights as specified in the restrictions, and by direct legal action, and by all other legal means, without limitation.

Section 8-4. Suspension for Misconduct. Any member may be suspended from all services, privileges, rights or benefits of the membership, except the right to vote, if applicable, by a sixty percent (60%) vote of the members present at any regular or special meeting for illegal activities or other conduct deemed prejudicial to this corporation; provided, that such member shall have first been warned, and if the wrongful conduct has not ceased, has been served with written notice of the accusations against him and shall have been given an opportunity to produce his witnesses, if any, and be heard at the meeting at which such vote is taken. No person shall be entitled to a refund in connection with any suspension for misconduct except for an annual member, who may be allowed a partial refund if the Board of Directors determines such partial refund to be appropriate.

Section 8-5. Title. If title to any property in said subdivision is owned by a corporation, such corporation must designate in writing the persons who will be authorized to represent said corporation. If title is held by a trust, the trustee(s) shall represent the trust.

Section 8-6. Co-ownership. If property is held by joint tenancy, tenancy in common or any other form of co-ownership, the owners thereof shall be entitled to have the adult residents thereof become regular members in this corporation with full privileges; provided, however, that only one vote may be exercised with regard to each lot.

Section 8-7. Rental Property. Whenever any residence in Embassy Park is being rented or leased, the owner(s) having a membership in good standing may assign, for a specific or indefinite period, all rights of membership, except for voting rights, to the residents of the property.

Section 8-8. Family of owners. All residents of the household of any member within the subdivision shall be entitled to participate in the use of amenities on the same basis as the member.

Section 8-9. Visitors. The privileges of visitors or any other non-member to use any amenities owned by the association shall be determined by the Board of Directors.

ARTICLE IX

Amenities

Section 9-1. The Developer intends to transfer to this corporation the ownership of a fully constructed clubhouse/swimming pool facility, subject to certain conditions and requirements, to be operated by this corporation for the benefit of regular members in the corporation. Regular members of the association shall not be required to purchase an annual membership in order to have use of the pool, but regular members may nevertheless be required to pay any yearly maintenance dues established by Declarant (while Declarant holds title) or by the association (upon acquisition of the pool by the association). The yearly maintenance dues shall be established by the Board of Directors at a level, which will support the operation of the clubhouse/pool facility.

Section 9-2. The corporation shall maintain a separate budget for the clubhouse/pool. The operation of the clubhouse/pool and the maintenance of the clubhouse/pool facility and the clubhouse/pool grounds will be funded from the clubhouse/pool budget, which will consist of funds received from yearly maintenance dues, and any other income (such as, for instance, rental income and income from the operation of any concessions) generated from the usage of the clubhouse/pool. No funds from the clubhouse/pool budget, or from the sources of the clubhouse/pool budget, may be utilized in any way to support or subsidize the other activities or responsibilities of the corporation in the event the Declarant should transfer a facility to the association subject to the condition that there be a budget segregation with regard to such facility, the same practice of budget segregation shall be applied by the association to the operation of the amenity.

ARTICLE X

Board of Directors

Section 10-1. Scope and number. The business, property and affairs of this corporation shall be supervised and controlled by a Board of Directors. Initially, there shall be three interim directors who shall serve until Directors are elected by the membership at a meeting duly called

for the election of such directors. The interim directors are Kenneth L. Riedemann, Roger H. Siegrist and Philip Carey. Such meeting shall be called at the discretion of the interim directors, but in no event shall such meeting be called later than thirty-six months after the date of incorporation. Thereafter, the Board of Directors shall be composed of seven (7) persons. Each director shall hold office for two years; provided, however, that the directors first elected may designate some of their number to serve an initial one-year term in order to provide for staggered election in subsequent years.

Section 10-2. Vacancies. Vacancies on the Board of Directors shall be filled by appointment made by the remaining directors. Each person so appointed shall fill the unexpired term of the party replaced.

A vacancy on the Board shall exist upon the resignation, death or removal for cause of any member. If any member of the Board fails to attend any three consecutive Board meetings without approval from the Board, said member is subject to removal for cause.

Section 10-3. Written action. If and when the directors shall severally or collectively consent in writing or orally to any action to be taken by the corporation, such action shall be as valid a corporate act as though it had been authorized at a regular or special meeting of the Board of Directors.

Section 10-4. Bylaws. The Board of Directors shall have the power to make and alter any Bylaw, including the fixing and altering of the number of directors, provided that the Board shall not (1) make or alter any Bylaw fixing the qualifications, or classifications of any member or members of the existing Board, or (2) alter the qualifications or voting rights of any property owner in the subdivision.

Section 10-5. Officers. The Board of Directors shall elect a President, a Vice-President, a Secretary, and a Treasurer. The Board also may elect additional Vice-Presidents, Assistant Secretary, Assistant Treasurer and a Parliamentarian. No officer except the President and the First Vice-President need be a member of the Board of Directors, but a Vice-President who is not a director shall not succeed to nor fill the office of President or Chairman of the Board.

The Board of Directors shall also have the power to appoint any such other officers or agents as the Board may deem necessary for the transaction of business of this corporation.

Section 10-6. Removal of Officers or Agents. Any officer or agent may be removed by the Board of Directors whenever in the judgment of the Board, the interest of the corporation will be served thereby.

The Board shall also have the power to fill any vacancy in any office occurring for any reason whatsoever.

Section 10-7. Delegation of Power. For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer or agent to any other officer or director, but no officer or

director shall execute, acknowledge or verify any instrument in more than one capacity.

Section 10-8. Bonds. The Board of Directors may require any officer or agent to file with the corporation a satisfactory bond conditioned for faithful performance of its duties. The cost of any such bond shall be the expense of the corporation.

Section 10-9. Meetings and Notice. Regular meetings of the Board of Directors shall be held at least three times a year at such times and places as the Chairman may designate, giving at least two (2) days' notice to the members. Special meetings may be called by the Chairman or any member of the Board, giving at least one (1) day's notice to all other members.

Section 10-10. Execution of Instruments. All checks, drafts and orders for payment of money shall be signed in the name of the corporation by such officers or agents as the Board of Directors shall from time to time designate for that purpose.

The Board of Directors shall have the power to designate the officer or agent who shall have authority to execute any instrument on behalf of the corporation. When the execution of any contract, conveyance or other instrument has been authorized without specifying the person or officer responsible for the execution thereof, the President or any Vice-President may execute the same in the name and on behalf of the corporation, but such must be attested by the Secretary or the Assistant Secretary.

Section 10-11. Power to Borrow Money. The Board of Directors shall have full power and authority to borrow money whenever in the discretion of the Board, the exercise of said power is required in the general interest of the corporation, and in such a case, the Board of Directors may authorize the proper officer of this corporation to make, execute and deliver in the name and on behalf of this corporation such notes, bonds and other evidence of indebtedness as said Board shall deem proper, and said Board shall have full power to mortgage the property of this corporation, action on the part of the membership of this corporation shall be a prerequisite to the validity of any such note, bond, or evidence of indebtedness or mortgage.

ARTICLE XI

Election of Directors

Section 11-1. Ballots. The election of directors shall be by written ballot. At each annual meeting or at any special meeting called for the purpose of electing directors, the members or their proxies may cast, in respect of each vacancy, as many votes as there are positions to be filled. The Developer shall be entitled to cast as many votes as there are positions to be filled, multiplied by the number of votes which the Developer is entitled to cast in accordance with its right to cast 40 votes with regard to certain lots. The nominees receiving the largest number of votes shall be elected.

Section 11-2. Nominations; nominating committee. Nominations for election to the board of directors shall be made by the Nominating Committee, which shall consist of a director, who shall be the chair, and one or more members of the association, or an officer of a corporate

member. If more than one director is appointed to the nominating committee, the Board of Directors shall designate the director to chair the nominating committee. The nominating committee shall be appointed by the board of directors prior to each annual meeting of the Members to serve during such annual meeting and until the next annual meeting or until its successor shall have been duly designated and qualified. The members of the nominating committee shall be announced at each annual meeting of the members.

Section 11-3. Nominees. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations may be made from among members or nonmembers, as the committee in its discretion shall determine. Nominations of other persons may also be made at the time of the meeting called for the purpose of conducting the election, in accordance with normal parliamentary procedure as specified in Roberts Rules of Order.

Section 11-4. Procedure. All elections of the board of directors shall be made on written ballots which shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the nominating committee for the vacancies; and (c) contain a space for a write-in vote by the members for each vacancy.

ARTICLE XII

Officers

Section 12-1. President. The President shall be the chief executive officer of the corporation; he shall preside over all meetings of the Board and of the members; he shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board are carried into effect; he shall be an ex officio member of all standing committees and shall have the general powers and duties of supervision and management usually vested in the office of the President of any corporation.

Section 12-2. Vice-President. Such Vice-Presidents as are members of the Board, in order of their seniority, shall perform the duties and exercise the powers of the President during the absence or disability of the President. All Vice-Presidents shall have the duties and obligations which are normally vested in such office.

Section 12-3. Secretary. The Secretary shall attend all meetings of the Board of Directors, the membership and any executive committee, and shall preserve in books of the corporation true minutes of the proceedings of all such meetings. The Secretary shall safely keep in his or her custody any seal of the corporation and shall have authority to affix the same to all instruments where its use is required. He or she shall give all notices required by statute, bylaws or resolution and shall perform all such other duties as may be delegated to him or her by the Board of Directors, the President or any duly authorized person in charge of said meeting.

Section 12-4. Treasurer. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the corporation full and accurate accounts of all

receipts and disbursements; he shall deposit all money, securities and other valuable effects in the name of the corporation in such depositories as may be designated for that purpose by the Board of Directors; he shall disburse the funds of the corporation as may be ordered by the Board or its officers and shall render to the President and directors at the regular meetings of the Board, the membership, or whenever requested by him or her, and account of all his transactions as Treasurer and of the financial conditions of the corporation. The Treasurer shall be bonded if so ordered by the Board, in an amount, which the Board so designates.

Section 12-5. Assistant Secretary and Assistant Treasurer. The Assistant Secretary and the Assistant Treasurer, when so elected, shall perform the duties and exercise the powers of the Secretary or Treasurer in their absence.

Section 12-6. Parliamentarian. The Parliamentarian shall be fully cognizant of the Articles and Bylaws of this corporation, as well as Roberts Rules of Procedure and shall, upon request by the presiding officer, resolve any dispute which arises under the Articles, Bylaws or Roberts Rules of Order which are of procedural effect.

Section 12-7. Qualification. The President, and at least one Vice-President, shall be members of the Board of Directors. The other officers need not be members of the Board of Directors.

ARTICLE XIII

Committees

Section 13-1. The Board of Directors, its officers or the membership shall provide for any committee which they deem to be in the interest of the corporation.

ARTICLE XIV

Section 14-1. Roberts Rules of Order shall be followed in all meetings of this corporation unless they conflict with the Articles or Bylaws of this corporation.

ARTICLE XV

Amendment of Bylaws by Membership

Section 15-1. Whenever the Board of Directors fails to amend any Bylaw after being requested to do so by members representing 25 percent of the potential vote of the membership, with such request being in writing, then such Bylaw may be amended, altered or changed, by a majority of the votes cast by the members in attendance and entitled to vote at any regular or special meeting of the members. However, at least five (5) days' notice must be given to all members of said proposed amendment, alteration, change or addition. The membership may not alter any Bylaw fixing the qualifications or classifications of any member or member of the Board of Directors and may not alter the qualifications or voting rights of any property owner in the subdivision.

ARTICLE XVI

Liabilities

Section 16-1. The directors, officers and agents of this corporation shall not be individually or personally liable for any debts, liabilities or other obligations of this corporation and if any director, officer or agent of this corporation is required to personally expend his or her money for such debts, liabilities or obligation, then said corporation will indemnify and hold harmless said director, officer or agent who was acting within the scope and course of his office or on behalf of said corporation.

ARTICLE XVII

Addition of Other Land

Section 17-1. In accordance with the restrictions, Developer has reserved the right, from time-to-time, to add such other land as it desires to the operation and effect of the applicable declaration of covenants, conditions and restrictions, and thereby subjecting such land to the effect and authority of this corporation, by executing and acknowledging any appropriate declaration or agreement for that purpose, and filing the same for record in the office of the Recorder of Deeds of Platte County, Missouri. When any other land is so subjected to the provisions of the applicable restrictions, whether the same consists of one or more times, the land so added shall be subject to all the terms and provisions of the Articles of Incorporation and Bylaws of this corporation in the same manner and effect as though the same had been originally subjected to the provisions of such Articles and Bylaws unless at the time of any such addition of other land the Developer shall specifically amend or modify any provisions of the restrictions as to the additional land, which amendment shall be effective as to any such land along with all other provisions not so amended.

Approved by unanimous vote of the Board of Directors this _____day of _____ 2000.

PRESIDENT

Attest:

SECRETARY