

BYLAWS
OF
FOUNTAIN HILLS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

The words in these Bylaws which begin with capital letters (other than words that would normally be capitalized) shall have the following meanings assigned to them unless such meaning would be manifestly improper or unreasonable in the context in which a word is used.

"Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association filed with the Missouri Secretary of State.

"Association" shall mean and refer to Fountain Hills Homeowners Association, Inc., a Missouri nonprofit corporation, its successors and assigns. The Association is sometimes referred to herein as the Corporation.

"Board of Directors" or "Directors" shall mean and refer to the Board of Directors of the Association and any board, group or entity of the successor or assign to the Association serving in a comparable capacity to the Board of Directors of the Association.

"Builders" shall mean and refer to those entities or persons to whom the Developer designates as a "Builder" and conveys or transfers the surface estate of any Lot for the purpose of the Builder constructing a Unit or other permitted structure thereon.

"Certificate of Substantial Completion" shall mean a certificate executed, acknowledged and recorded in the real estate records of Platte and Clay County, Missouri, by the Developer stating that all or, at the Developer's discretion, substantially all, of the Lots in the Property (as then composed or contemplated by the Developer) have been sold by the Developer and the Units to be constructed thereon are substantially completed.

"Class A Members" shall mean and refer to all Owners except, during the Development Period, the Developer and Builders.

"Class B Member" shall mean and refer to the Developer.

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions recorded by the Developer against the Property as it may from time to time be amended or supplemented.

"Developer" shall mean and refer to BT Residential, LLC, a Missouri limited liability company, its successors and assigns.

"Development Period" shall mean and refer to the period commencing on the date the Declaration is recorded in the real estate records of Platte County and Clay County, Missouri

and terminating on the day upon which the Developer records the Certificate of Substantial Completion in the real estate records of Platte County and Clay County, Missouri.

"Lot" shall mean and refer to any plots of land shown upon any recorded subdivision plat of the Property.

"Member" shall mean and refer to a member of the Fountain Hills Homeowners Association, Inc.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Unit or Lot that is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. All Owners shall be Members of the Fountain Hills Homeowners Association, Inc.

"Person" shall mean and refer to any individual, corporation, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

"Property" (which may hereafter sometimes be referred to as "Fountain Hills") shall mean and refer to Fountain Hills, First and Second Plat, a subdivision in the City of Kansas City, Platte County and Clay County, Missouri, as legally described in the Declaration, together with such additional lands as may be subjected to the Declaration, as may hereafter be made subject to this Declaration and may be brought within the jurisdiction of the Association.

"Resident" shall mean and refer to (i) each individual occupying any Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individuals or of an Owner who actually reside within the Unit and in the same household with each such individual or Owner; and (iii) any person who has a fixed place of habitation at a Unit of any such individual or Owner to which, whenever he or she is absent, he or she has the intention of returning.

Any words used in these Bylaws which are not specifically defined above shall have the meaning assigned to them in the Declaration unless such a meaning would be manifestly improper or unreasonable in the context in which a word is used. The Declaration is hereby incorporated herein by reference .

ARTICLE II

OFFICES

Section 2.01: Initial Registered Office. The initial registered office shall be at 435 Nichols Road, Second Floor in Kansas City, Missouri 64112 and its initial registered agent is Warren Rogers.

Section 2.02: Association's Offices. The Association may also have offices at such places within or without the State of Missouri as the Board of Directors may, from time to time, determine or the business of the Association may require.

ARTICLE III

MEMBERS

Section 3.01: Voting rights of Members. The Association shall have two classes of members. Class A Members, sometimes herein referred to as such, shall be all Owners with the exception of the Developer and Builders and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot. In the event that a Member or Members own more than one Lot, then they shall be entitled to (1) vote per Lot owned. Owners shall have the right to assign their voting rights hereunder to tenants or other persons as they may designate by use of a proxy, fully executed and acknowledged.

The Class B Member, sometimes herein referred to as such, shall be the Developer who shall be vested with five hundred (500) votes **plus** shall be entitled to ten (10) votes for each Lot owned by it.

The rights, privileges and qualifications of each class of Members shall be as set out in the Articles of Incorporation, the Declaration and as provided in these Bylaws. The Members of the Association shall have no preemptive rights, as such Members, to acquire any memberships of this Association that may at any time be issued by the Association except as may be specifically provided in these Bylaws or the Articles of Incorporation of the Association.

Section 3.02: Annual Meetings. The Association shall hold an annual meeting of the Members each year for the transaction of any business within the powers of the Association. Such annual meeting shall be held on a day and at a time to be designated by the Board of Directors from time to time. If the Board of Directors does not designate a date and a time for the annual meeting, then such meeting shall be held on the last day of September that is not a Sunday or legal holiday in the State of Missouri at 8:00 p.m. Any business of the Association may be transacted at an annual meeting without being specially designated in the notice of such meeting, except such business as is specifically required by statute, the Articles of Incorporation or the Declaration to be stated in the notice. Any matter requiring the affirmative vote of more than a majority of Class A Members present at a meeting shall be designated in the notice of such meeting. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 3.03: Special Meetings. At any time in the interval between annual meetings, special meetings of the Members may be called by the President, the Board of Directors, the Class B Member or by Class A Members having forty percent (40%) of the votes entitled to be cast by the Class A Members at such meeting.

Section 3.04: Place of Meetings. All meetings shall be held at the registered office of the Association, or at such other place within or without the State of Missouri as is designated by the Board of Directors from time to time.

Section 3.05: Notice of Meetings.

(a) Written notice stating the place, day and hour of the annual meeting of the Members

and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) days nor more than sixty (60) days before the date of the meeting (except as a different time is specified below) either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish such notice at least once a week for two (2) consecutive calendar weeks in a newspaper having a general circulation in the city or county in which the registered office is located, the first publication to be not more than sixty (60) days and the second not less than seven (7) days before the date of the meeting. If notice of the meeting is so published, a notice of the meeting shall also be posted at not less than three (3) conspicuous locations on the property. In the event that an electronic media method of delivering notice meets the requirements outlined above, it may also be used to provide notice to the Members of meetings. The last method of delivering notice may only be used if all Members are on-line.

(b) Notice of a Members' meeting to act on an amendment of the Articles of Incorporation or a plan of merger and consolidation shall be delivered or published and posted in the manner required by the laws of Missouri.

(c) Notwithstanding the foregoing provision, a waiver of such notice in writing, signed by the Member or Members entitled to such notice, whether before or after the holding of the meeting, shall be equivalent to the giving of such notice to such Member or Members. A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless he or she attends for the express purpose of objecting because the meeting is not lawfully called or convened.

Section 3.06: Quorum. Unless otherwise provided in the Articles of Incorporation or the Declaration, at any meeting of the Members the presence in person or by proxy of members entitled to cast one-third (1/3) of all of the votes entitled to be cast by Members shall constitute a quorum. The Declaration requires the presence in person or by proxy of Members entitled to cast one-third (1/3) of the votes entitled to be cast by each Class of Members at meetings called for the purpose of levying assessments and special assessments. This Section shall not affect any requirement under statute, the Declaration or under the Articles of Incorporation of the Association for the vote necessary for the adoption of any measure. In the absence of a quorum, without regard to class, the Members present in person or by proxy, by majority vote taken and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. In addition, at such a meeting where a quorum of Members is not present the Members present in person or by proxy by majority vote taken without notice other than by announcement may call a further meeting of Members, and at such further meeting the percentages of votes required to constitute a quorum shall each be reduced to those holding two-thirds (2/3) of the votes entitled to be cast by Members as specified above and by proxy may take any action, including, without limitation, the election of directors, which might have been taken at the original meeting had a sufficient number of Members been present.

Section 3.07: Votes Required. A majority of the votes cast by the Members without regard to class at a meeting of Members duly called and at which a quorum is present shall be sufficient to take or authorize action upon any matter that may properly come before the meeting, except as otherwise required by the laws of Missouri, the Declaration or the Articles of Incorporation. The Declaration requires the affirmative vote of more than a majority of each

class of Members in various instances.

Section 3.08: Proxy Voting. A Member entitled to vote in person may vote by proxy executed in writing by the Member or by his or her duly authorized attorney in fact and filed with the Secretary. No Proxy shall be valid after eleven (11) months from its date unless otherwise provided in the proxy. In any event, every proxy of a Class A Member shall be revocable and shall automatically cease upon conveyance by a Member of his or her Lot. Every proxy of the Class B Members shall be revocable and shall automatically cease upon expiration of the Class B Membership.

Section 3.09: Alternative Voting Procedures. Notwithstanding any other provision of these Bylaws, to the extent permitted by the laws of Missouri, any vote to be taken of the Members upon a stated proposal or for the election of directors may be taken by mail, and the number of votes necessary for passage of the proposal or election as a director shall be the same as if the vote were taken at a meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01: Powers. The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Association, except such as are, by the laws of Missouri, the Articles of Incorporation, the Declaration and these Bylaws, conferred upon or reserved to the Members. The Board of Directors may employ a manager, an independent contractor and such other employees as they deem necessary, and to prescribe their duties. The Board of Directors may appoint such committees as it deems appropriate in carrying out its duties.

Section 4.02: Duties. It shall be the duties of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Class A Members who are entitled to cast forty percent (40%) of the outstanding votes;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the Annual Assessments against each Lot; and

(2) send written notice of each assessment to every owner subject thereto.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association or upon which the Association owns an easement;

(f) cause all officers or employees having fiscal responsibilities to be bonded in an amount which shall not be less than the sum of three (3) month's assessments on all units in the Association, plus the Association's reserve funds;

(g) cause the Common Areas as defined in the Declaration to be repaired and maintained; and

(h) appoint the Architectural Review Committee as provided in the Declaration.

Section 4.03: Number and Election of Directors. Until the Certificate of Substantial Completion is filed in the real estate records of Platte County and Clay County, Missouri, the Board of Directors shall consist of three (3) Directors who shall be solely elected and appointed by the Class B Member.

After the Certificate of Substantial Completion is filed by the Declarant in the real estate records of Platte County and Clay County, Missouri, the Board of Directors shall (a) consist of not less than three (3) nor more than seven (7) Directors; each Director shall be an Owner; each Director shall be elected at each annual meeting of the Members; and each Director shall serve for a term of three (3) years or until his or her successor is elected and qualified unless his or her directorship is earlier terminated by resignation, death, removal or otherwise.

Section 4.04: Vacancies and Removal. After the Certificate of Substantial Completion is filed by the Declarant in the real estate records of Platte County and Clay County, Missouri, any Director may be removed from the Board with or without cause, by a majority vote of the Members of the Association; and in the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his or her predecessor, subject to removal, however, by vote of the Members of the Association.

Section 4.05: Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4.06: Action by the Board of Directors.

(a) Regular Meetings. Except as permitted by this section, all actions, matters or resolutions approved or disapproved by the Board of Directors shall be by vote of the Directors taken at a regular meeting. Regular meetings of the Board of Directors may be called by the President of the Association or by a majority of the Directors.

(b) Emergency Meetings or Action by the Board of Directors. In the event of an emergency (as determined by the unanimous consent of the Board of Directors) requiring immediate action by the Board of Directors, the Board of Directors may act by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other and participation by such means shall constitute presence in person at such meeting. Such meetings may be called by the President of the Association or by a majority of the Directors.

(c) Time and Place of Meeting. Each meeting of the Board of Directors shall be held at such time and such place within the State of Missouri as the person or persons calling the meeting may designate or at such other place outside the State of Missouri as may be agreed upon by all the Directors.

(d) Action Without a Meeting. To the extent permitted by the laws of Missouri, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4.07: Notice of Meetings to Directors. Notice of the place, day and hour of every regular and special meeting shall be given to each Director seven (7) days (or more) before the meeting, by delivering the same to him personally, or by sending the same to him by telegraph, or by leaving the same at his or her residence or usual place of business, or, in the alternative, by mailing such notice ten days (or more) before the meeting, postage prepaid, and addressed to him at his or her last known post office address, as shown upon the records of the Association. Unless required by these Bylaws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any director who, either before or after the holding thereof, waives such notice in writing. Attendance of a director at any meeting shall constitute waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Board of Directors, regular or special, may be adjourned from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 4.08: Quorum. A majority of the Directors shall constitute a quorum for the transaction of business.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 5.01: Enumeration of Officers. The officers of this Association shall be a president, and who after the Certificate of Substantial Completion is filed by the Declarant in the real estate records of Platte County and Clay County, Missouri, shall be a Director, a vice president, a secretary, and a treasurer, and such other officers and assistant officers as may from time to time be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person if provided for under Missouri law.

Section 5.02: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 5.03: Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 5.04: Special Appointments. Any officer may be removed from office with or without cause by the Board. 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 any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.05: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.06: Duties of the President. The President shall be the chief operating officer of the Association, shall be available at all meetings of the Members and the Board of Directors, shall have general and active operating management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall act as chairman at all meetings of the Board of Directors. He or she shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

Section 5.07: Duties of the Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one vice president, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and has such other powers as the Board of Directors may from time to time prescribe.

Section 5.08: Duties of the Secretary and Assistant Secretaries. The Secretary shall attend all the meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the Association and he or she, or an assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his or her signature. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers as the Board of Directors may from time to time prescribe.

Section 5.09: Duties of the Treasurer and Assistant Treasurers. The Treasurer shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Association. The Treasurer shall

cause an annual review of the Association books to be made by an accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of issuance and expenditures to be prescribed to the membership at its regular annual meeting and shall file a copy of each in the records of the Association. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and have such powers as the Board of Directors may from time to time prescribe.

ARTICLE VI

FINANCE

Section 6.01: Checks, Drafts, Etc. All checks, drafts, and orders for the payment of money, notes and other evidence of indebtedness, issued in the name of the Association, shall unless otherwise provided by resolution of the Board of Directors, be signed by any two (2) officers of the Association.

Section 6.02: Fiscal Year. The fiscal year of the Association shall be the twelve (12) calendar months period ending December 31 of each year, unless otherwise provided by the Board of Directors.

Section 6.03: Carryover of Unused Funds. The Association shall not be obligated to spend in any calendar year all the sums collected in such year and may carry forward, as surplus, any balance remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security of the Corporation and the effectuation of its purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01: Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association's books, records, and papers shall also be made available for inspection and copying at a location mutually convenient to the Association and to such Members, upon five (5) day's written notice delivered to the Board of Directors. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Notwithstanding the above, the Association may withhold from inspection records which concern personnel records, individual medical records, records relating to business transactions that are currently in negotiation, privileged communication with legal counsel, or complaints against an individual Member of the Association.

Section 7.02: Seal. The Board of Directors shall at its option provide a suitable seal, bearing the name of the Association that shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 7.03: Indemnification. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the maximum extent permitted by the laws of Missouri, as amended from time to time.

Section 7.04: Amendments. Any and all provisions of these Bylaws may be altered or repealed and new Bylaws may be adopted at any annual meeting of the Members, or at any special meeting called for that purpose by a majority vote of the Members; provided, however, no amendment or change shall be effective without the consent of the Class B Members during the Development Period. Amendment of the Bylaws is subject to specific provisions contained in the Articles of Incorporation and the Declaration.

Section 7.05: Consistency of Articles of Incorporation and Bylaws. These Bylaws shall be construed and interpreted in a manner that is consistent with the terms and provisions of the Articles of Incorporation and the Declaration. The terms of the Articles of Incorporation and the Declaration shall be controlling over any inconsistent provision contained in these Bylaws.

ARTICLE VIII


MANAGEMENT, ETC.

Section 8.01: Assessments. The Board of Directors is authorized to levy and assess all of the assessments specified in the Declaration as determined from time to time by the Directors. The annual assessment specified in the Declaration shall be paid monthly or annually as the Board of Directors may specify from time to time and shall be in an amount to be designated from time to time by the Board of Directors. Such funds along with any other assessments levied by the Board of Directors shall be deposited into one or more accounts with a financial institution, the accounts of which are insured by an agency of the United States of America, or may, at the discretion of the Board of Directors, be invested in a money market fund that, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in State bonds that are backed in principal by the Commonwealth).

Section 8.02: Management Agent. The Board of Directors may, but shall not be required to, employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party and without cause upon ninety (90) days written notice to the other party. The term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

IN WITNESS WHEREOF, we being all of the Directors of Fountain Hills Homeowners Association, Inc. have hereunto set our hands effective as of the 1st day of August, 2005.


Thomas S. Morgan, Director

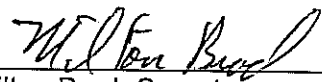

Greg Walker, Director


Milton Brod, Director

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Fountain Hills Homeowners Association, Inc., a Missouri non-profit corporation, and, that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted pursuant to an Action by Class B Member and Board of Directors by Unanimous Consent in Lieu of Meeting dated the 1st day of August, 2005.


Milton Brod, Secretary