

**BY-LAWS
OF
VILLAS AT PARKWOOD HOMES ASSOCIATION, INC.
A MISSOURI NOT FOR PROFIT CORPORATION**

ARTICLE I. OFFICERS AND REGISTERED AGENT

Section 1. Corporation Offices. The principal office of Villas at Parkwood Homes Association, Inc., shall be located Lee's Summit, Missouri. The Association may have such other offices, either within or without the State of Missouri, as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 2. Registered Office and Registered Agent. The location of the registered office of the Association, as required by the General Not-For-Profit Corporation Law of Missouri, shall be maintained at Box 1103, Lee's Summit, Missouri, or at such other address as may be designated from time to time by the Board of Directors. The name of the registered agent of the Association at such address shall be Robert C. McGovern. or such other person as may be designated from time to time by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. "Declaration". "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Villas at Parkwood Homes Association, Inc. recorded in the Recorder's Office of Jackson County, Missouri, in Independence, MO, and as same may be amended from time to time as therein provided.

Section 2. "Homes Association Declaration". "Homes Association Declaration" shall mean and refer to the Homes Association Declaration for Villas at Parkwood Homes Association, Inc., recorded in the Recorder's Office of Jackson County, Missouri, and as same may be amended from time to time as therein provided.

Section 3. "Properties". "Properties" shall mean and refer to that certain property described in the Articles of Incorporation, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area(s)". "Common Area(s)" shall mean all real property if any, owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot(s)". "Lot(s)" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area(s).

Section 6. "Owner(s)". "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant". "Declarant" shall mean and refer to Robert C. McGovern of McGovern Builders Inc. and John D. Kreisel Sr. of Stoney Creek Development L.L.C and Kreisel Bldg. and Development, Inc. its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Member(s)". "Members" shall mean and refer to those persons entitled to membership of the Association as provided in the Articles of Incorporation and the Homes Association Declaration.

ARTICLES III. MEMBERS

Section 1. Rights and Obligations of Members. The members shall have such rights and obligations, including voting rights, as set forth in the Association's Articles of Incorporation, the Declaration, and the Homes Association Declaration.

Section 2. Annual Meeting. The annual meeting of the members shall be held on the 10th day in the month of October each year, at 9:00 a.m., or at such time or on such other day as may be designated from time to time by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Missouri, such meeting shall be held on the next succeeding business day.

Section 3. Special Meeting. Special meetings of the members, for any purpose or purposes, unless otherwise prescribe by statute may be called by the President, by the Secretary, by the Board of Directors, or by the members of the Association having not less than one-twentieth (1/20) of the voting rights of the Association.

Section 4. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Missouri, as the place of meeting for any annual meeting or for any special meeting call by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association in the State of Missouri.

Section 5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than five (5) nor more than forty (40) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other persons calling the meeting, to each member entitled to vote at each meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the member or his address as it appears on the record of the Association. Whenever any notice is required to be given to any member under the provisions of these By-Laws, or of any law, a waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent to the giving of such notice. To the extent provided by law, attendance at any meeting shall constitute a waiver of notice of such meeting.

Section 6. Voting Record. The officer or agent having charge of the membership records of the Association shall make a complete record of the members entitled to vote at each meeting of members or any adjournment thereof, arranged in alphabetical order. Such record shall be kept on file at the registered office of the Association for a period of ten (10) days prior to the meeting and shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership records, or a duplicate thereof, kept in the State of Missouri, shall be prima facie evidence as to who are the members entitled to examine such list, or to vote at any meeting of members. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 7. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, the Homes Association Declaration or these By-Laws. If less than a quorum of the members are represented at the meeting, a majority of the members so represented may adjourn the meeting to a specified date not longer than ninety (90) days after such adjournment, without further notice. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly answered meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 8. Proxies. At all meetings of members, a member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with Secretary of the Association before or at the time of the meeting. Every proxy shall be reasonable and shall automatically cease upon conveyance by the member of his Lot.

Section 9. Manner of Acting. Unless otherwise expressly provided by law, the Articles of Incorporation, the Declaration, the Homes Association Declaration or these By-Laws, the vote of a majority of the votes at a meeting at which a quorum is present shall constitute the act of the members.

ARTICLE IV. BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The business and affairs of the Association shall be managed by a Board of two (2) Directors who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting of the members, they shall elect two (2) directors for a term of three (3) years; at each annual meeting thereafter, the members shall elect such number of directors necessary to fill any expired terms of directors, for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority of the votes of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of this predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. 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 thought taken at a meeting of the directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nomination may also be made from the floor at the annual meeting of members. The nominating committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more voting members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nomination for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members and non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. First Board of Directors. The first Board of Directors shall be named by the Declarant, or its authorized agent, notwithstanding the foregoing.

ARTICLE VI. MEETING OF DIRECTORS

Section 1. Regular Meeting. Meetings of the Board of Directors shall be held annually after notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, than that meeting shall be held at the same time on the next day, which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two directors after not less than three (3) days notice to each director.

Section 3. Quorum. Unless otherwise expressly provided by law, the Articles of Incorporation, the Declaration, the Homes Association Declaration, or these By-Laws, a majority of the number of directors shall constitute a quorum for the transaction of business. Unless otherwise expressly provided by law, the Articles of Incorporation, the Declaration, the Homes Association Declaration, or these By-Laws, every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum if present shall be regarded as the act of the Board of Directors.

ARTICLE VII

Section 1. Powers. The Board of Directors shall have the power to:

- a. adopt and publish rules and regulations powering the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. suspend the voting rights and the right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed ninety (90) days for infraction of published rules and regulations.
- c. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by any other provision of these By-Laws, the Articles of Incorporation, the Declaration, or the Homes Association Declaration.
- d. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive meetings of the Board of Directors; and
- e. employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. cause to be kept a complete records of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members and to present such statement at any special meeting when such statement is requested in writing by one-fourth of the members, including non-voting members;

- b. to supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration and the Homes Association Declaration, to:
 - 1. fix the amount of the annual assessment, if any against each Lot;
 - 2. attempt to collect all assessments, if any, not paid within thirty (30) days after the due date, including but not limited to foreclosure of the lien against any property for which assessments are not paid within thirty (30) days after the due date or the bringing of an action of law against the owner personally obligated to pay the same.
- 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 of Directors 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;
- f. cause all officers and/or employees having fiscal responsibility to be bonded, as it may deem appropriate;
- g. cause the Common Area, if any, to be maintained;
- h. cause the exterior of the Units subject to assessment for exterior maintenance to be maintained.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The offices of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and Treasurer, and such other officers as the Board may from time to time, by resolution, create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and at subsequent meetings following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until his successor is elected

and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. 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 replaces.

Section 6. 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 except in case of special offices created pursuant to Section 1 of this Article.

Section 7. Duties. The duties of the officers are as follows:

- a. **President:** the President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes.
- b. **Vice President:** the Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **Secretary:** the secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; service notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- d. **Treasurer:** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy of each to the members.

ARTICLE IX. COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws, and in addition, shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. BOOKS AND RECORDS

The books and records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Homes Association Declaration, the Article of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI. CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Villas at Parkwood Homes Association, Inc., Missouri, Corporation Seal.

ARTICLE XII. AMENDMENTS

Section 1. These By-Laws may be altered, amended, suspended, or repealed and new By-Laws may be adopted at any time and from time to time by the Board of Directors or by the members.

Section 2. In the case of any conflicts between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration or the Homes Association Declaration and these By-Laws; said Declarations shall control.

ARTICLE XIII. ASSESSMENTS

As more fully provided in the Declaration and the Homes Association Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum or the highest legal rate of interest chargeable therefor, whichever is greatest, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclosure the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

**ARTICLE XIV. INDEMNIFICATION AND LIABILITY
OF DIRECTORS AND OFFICERS**

Each person who is or was a director or officer of the Association is or was serving at the request of the Association as a director or officer of another corporation (including the heirs, executors, administrators, or estate of such person) shall be indemnified by the Association to the full extent permitted or authorized by the laws of the State of Missouri, as now in effect and as hereafter amended, against any liability, judgment, fine, amount paid in settlement, cost and expense (including attorneys' fees) asserted or threatened against and incurred by such person in his capacity as or arising out of his status as a director or officer of the Association, or, if serving at the request of the Association, as a director or officer of another corporation. The indemnification provided by this by-law provision shall not be exclusive of any other rights to which those indemnified may be entitled under any other by-law or under any agreement, vote of members or disinterested directors or otherwise, and shall not limit in any way any right which the Association may have to make different or further indemnifications with respect to the same or different persons or classes of persons. No person shall be liable to the Association for any loss, damage, liability, or expense suffered by it on amount of any action taken or omitted to be taken by him as a director or officer of the Association or of any other corporation which he serves as a director or officer at the request of the Association, if such person(1) exercised the same degree of care and skill as a prudent man would have exercised under the circumstances in the conduct of his own affairs, or (1) took or omitted to take such action in reliance upon advice of counsel for the Association, or for such other corporation, or upon statements made or information furnished by directors, officers, employees, or agents of the Association, or for such other corporation, which he had no reasonable grounds to disbelieve.

ARTICLE XV. FISCAL YEAR

The fiscal year of the Association shall be as determined by the Board of Directors.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Villas at Parkwood Homes Association, Inc., a Missouri not for profit corporation, and ;

THAT the foregoing By-Laws constitutes the original By-Laws of said corporation, as duly adopted at meeting of Board of Directors thereof held on the ___th day of October, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this ___ day of _____, 2005.)



Secretary