

BYLAWS
OF
CHARLESTON HARBOR HOMES ASSOCIATION, INC.
A NOT FOR PROFIT CORPORATION

ARTICLE I

PURPOSES AND RESTRICTIONS

These are the Bylaws of Charleston Harbor Homes Association, Inc. ("the Corporation"), a Missouri not-for-profit corporation.

The purposes of the Corporation shall be those non-profit purposes stated in the Articles of Incorporation, as may be amended. No part of the net earnings or other assets of the Corporation shall inure to the benefit of, be distributed to or among, or revert to, any director, officer, contributor or other private individual having, directly or indirectly, any personal or private interest in the activities of the Corporation, except that the Corporation may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of the non-profit purposes stated in the Articles of Incorporation.

For purposes of these Bylaws, the terms specifically defined in the Charleston Harbor Homes Association Declaration and the Declaration of Protective Covenants of Charleston Harbor Homes Association, Inc. shall be incorporated herein as if specifically provided for in these Bylaws; every provision of the Charleston Harbor Homes Association Declaration and the Declaration of Protective Covenants of Charleston Harbor Homes Association, Inc. shall remain effective as provided for in those documents; and the provisions of the Charleston Harbor Homes Association Declaration and the Declaration of Protective Covenants of Charleston Harbor Homes Association, Inc. shall prevail over any conflicting provision within these Bylaws.

ARTICLE II

OFFICES

The principal office of the Corporation in the State of Missouri shall be located in Kansas City, Missouri. The Corporation may have such other offices within or without Kansas City, Missouri as may be required.

The registered office of the Corporation required under the laws of the State of Missouri to be maintained in the State of Missouri may be, but need not be, identical with the principal office in the State of Missouri, and the address of the registered office may be changed from time to time in conformity with the laws of the State of Missouri.

ARTICLE III

MEMBERS

A. Qualifications of Members. Membership of the Corporation shall be mandatory for all owners of residential tracts located in the Charleston Harbor subdivision, together with the owners of any other land which may from time to time be made subject to all of the terms and provisions of the corporation's Articles of Incorporation.

B. Compliance. Each member and security holder shall be governed by and shall comply with the terms, conditions, obligations, and provisions of the declarations, protective covenants, these Bylaws, and the rules and regulations of the Corporation as the same may be amended from time to time.

C. Default and Remedies. A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Declaration of Protective Covenants and Home Association Declaration (hereinafter together referred to as "Declarations"), or these Bylaws as the same be amended from time to time, by any Owner, shall be grounds for relief that may include, without intending to limit the same or to constitute an election for any action or cause of action to recover fines and penalties for such default or failure as determined by the Board, amounts due for damages, an injunction, or any combination thereof, and which relief may be sought by the Corporation or, if appropriate, by any one or more aggrieved members, or both. Also, if any member fails to perform any obligation under the Declarations, these Bylaws, or such rules and regulations then the Corporation may, but is not obligated to, perform the same for the Member's account, and for such purpose may enter upon the Dwelling, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may levy a special assessment against the Dwelling owned by such defaulting member.

D. Notice of Default and Failure to Cure. In the event of any such default or failure, the Board shall promptly serve upon or mail to the defaulting Member, and, if reasonably possible, each first mortgagee of that Member's Dwelling, a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting Member may cure the default specified, or serve upon or mail a written notice to the Board requesting a hearing before the Board. If a Board. If a hearing is so requested, the Board shall thereafter serve upon or mail to the defaulting Member, and, if reasonably possible, to each such first mortgagee, a notice specifying the time and place for such hearing. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable.

The Board shall not exercise any remedies to obtain relief from the default until the hearing is over and the Board has made its determination and served upon or mailed the same to the defaulting Member and, if possible, to each such first mortgagee. The hearing may be continued from time to time as determined by the Board.

All rules and regulations shall be equally and uniformly applicable to all Owners, and Dwellings, but need not be equally uniformly applicable if the Board or Corporation determines that such unequal or nonuniform application is in the best interest of the Association or if equal and uniform application is not practicable.

E. Compliance with the Declarations; Conflict; Severability. These Bylaws are established in compliance with the Declarations. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of the Declarations, the provisions of the Declarations shall control. If any such term, provision, limitation, paragraph or clause of these Bylaws or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

F. Meetings. The annual meeting of the Members shall be held on the last Tuesday of August, preceding the meeting of the Board of Directors, at such time and place within the State of Missouri as shall be determined from time to time by resolution or written consent of the Board. Such annual meeting shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting. Special meetings of the Members may be called by the President, the Board of Directors, or by Members having one-twentieth of the votes entitled to be cast at such meeting.

G. Notice. Written or printed 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 be delivered not less than five nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, 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 address as it appears on the records of the Corporation, with postage thereon prepaid.

H. Prohibition of Assignment. The share of a member in the funds and assets of the Corporation cannot be assigned, pledged, encumbered, alienated or transferred in any manner except as an appurtenance to the Dwelling.

I. Voting. One owner of each residential tract located in the Charleston Harbor subdivision, except the Developer, shall be entitled to one vote on each matter submitted to a vote of the members.

The Developer shall be entitled to three (3) votes for each residential tract located in the Charleston Harbor subdivision, regardless of whether there is a completed building located thereon. Voting rights of the Developer shall terminate on January 1, 2008.

The vote of a majority of the votes entitled to be cast by the Members and Developer present at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the Members. A Member may vote either in person or by proxy executed

in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

J. Quorum. Members holding one-tenth of the votes entitled to be cast represented in person or by proxy shall constitute a quorum.

K. Amendments. The power to alter, amend or repeal the bylaws or adopt new bylaws, and to amend the Articles of Incorporation of the Corporation, shall be vested in the Board of Directors of the Corporation and require a 66 2/3 vote of all present Directors in the affirmative.

L. Landscaping Prior Approval. Any action to create, modify, or affect the landscape in or near any residential tract by a Member or the Developer shall require prior written consent of the Landscaping Committee. A Member or Developer must apply to the Landscaping Committee to modify or affect the landscape. Upon receipt of the Member or Developer's landscaping application, the Landscaping Committee shall render a decision within a reasonable period under the circumstances. The Landscaping Committee shall not unreasonably withhold approval of any landscaping plan. A Member or the Developer shall appeal the Landscaping Committee's decision if the Member or Developer believes approval of their landscaping plan was unreasonably withheld by the Landscaping Committee.

M. Powers. All powers not reserved to the Members are delegated to the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

A. Management. The affairs of the Corporation shall be managed, supervised and controlled by a Board of Directors consisting of at least five persons; Directors elected in the manner specified in Section B hereof. The number of Directors constituting the Board shall be as fixed from time to time by the Board of Directors.

B. Term and Election of Directors. The full term of office of Directors shall be one year or until their successors are elected. Vacancies occurring in the Board of Directors, including vacancies due to an increase in the number of Directors, may be filled by the directors then in office. Any Director may succeed himself or herself indefinitely.

C. Removal and Resignation. Any Director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation; unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed, with or without cause, by the vote of a majority of the whole Board. Any such resignation or removal shall take effect at the time specified therein.

D. Annual Meetings. The Annual Meeting of the Board of Directors shall be held, beginning with the year 1995, on the last Tuesday of August, at such time and place within the State of Missouri as shall be designated by the President or determined by the Board of Directors, and shall be held for the purpose of electing new directors and officers, and transacting such other business as may come before the meeting. The first order of business shall be the election of new members of the Board, who may participate in the meeting immediately upon their election.

Special meetings of the Board of Directors may be called by or at the request of the President or by any two Directors.

E. Meetings. Meetings of the Board of Directors, regular or special, may be held at any place either within or without the State of Missouri, or from time to time by resolution of the Board of Directors or by written consent of the members thereof. Meetings of the Board of Directors shall be held upon such notice as provided herein. Attendance of a director at any meeting shall constitute a 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Any action which is required to be or may be taken at a meeting of the directors, or of the executive committee or any other committee of the directors, may be taken without a meeting if consents in writing, setting for the action so taken, or signed by all of the members of the Board or of the committee as the case may be. The consent shall have the same force and effect as a unanimous vote at a meeting duly held, and may be stated as such in any certificate or document. The secretary shall file the consents with the minutes of the meetings of the Board of Directors or of the committee as the case may be.

F. Notice. Notice of any annual or special meeting shall be given at least five days previously thereto by written notice delivered personally or mailed to each Director at his business or home address. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

G. Quorum. Three Directors of the whole Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

H. Manner of Acting. The act of the majority of the Directors present at a meeting of the Directors at which a quorum is present shall be the act of the Board of Directors unless a greater number is required under the Articles of Incorporation, these Bylaws or any applicable laws of the State of Missouri.

ARTICLE V

OFFICERS

A. Number and Election. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also elect an Assistant Secretary and Assistant Treasurer. All officers shall be elected at the Annual Meeting of the Board by a majority of those Board members present including newly- elected members, and said officers shall hold office at the pleasure of the Board until the next Annual Meeting and until their successors shall have been elected and qualified. Where a vacancy occurs in an office, it shall be filled by the Board for the unexpired term. Except for the President the officers need not be Directors. Any two or more offices may be held by the same person.

B. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Board of Directors and the Committees thereof, shall have the power to transact all of the usual, necessary and regular business of the Corporation as may be required and, with such prior authorization of the Board as may be required by these Bylaws, to execute such contracts, deeds, bonds and other evidences of indebtedness, leases and other documents as shall be required by the Corporation; and, in general, he shall perform all such other duties incident to the office of President and Chief Executive Officer and such other duties as may from time to time be prescribed by the Board of Directors.

C. Secretary. The Secretary shall record and preserve the minutes of the meetings of the Board of Directors and all committees of the Board, shall cause notices of all meetings of the Board of Directors and committees to be given to the members thereof, and shall perform all other duties incident to the office of Secretary or as from time to time directed by the Board of Directors or by the President.

D. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds of the Corporation, shall deposit such funds in such bank or banks as the Board of Directors may from time to time determine, and shall make reports to the Board of Directors as requested by the Board. The Treasurer shall see that an accounting system is maintained in such a manner as to give a true and accurate accounting of the financial transactions of the Corporation, that reports of such transactions are presented promptly to the Board of Directors, that all expenditures are presented promptly to the Board of Directors, that all expenditures are made to the best possible advantage, and that all accounts payable are presented promptly for payment. The Treasurer shall further perform such other duties incident to his office and as the Board of Directors or the President may from time to time determine. If required by the Board

of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sureties or sureties as the Board of Directors shall determine.

E. Removal and Resignation. Any officer may be removed, with or without cause, by the vote of a majority of the entire Board of Directors at any meeting of the Board. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Any such resignation or removal shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

ARTICLE VI

GENERAL PROVISIONS

A. Contracts, Etc., How Executed. Except as in these Bylaws otherwise provided or restricted, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

B. Loans. No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name, unless and except as authorized by the Board of Directors in accordance with the provisions of these Bylaws. To the extent so authorized, any officer or agent of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company, or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Corporation, and when authorized as aforesaid, may pledge, hypothecate or transfer any and all stocks, securities and other personal property at any time held by the Corporation as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, and to that end may endorse, assign and deliver the same.

C. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation with such banks, bankers, trust companies or other depositories as the Board of Directors may select or as may be selected by any officer or officers, agent or agents of the Corporation to whom such power may be delegated from time to time by the Board of Directors.

D. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, acceptances or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation, and in such manner as shall be determined from time to time by resolution of the Board of Directors in accordance with the provisions of these Bylaws. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories may be made without countersignature, by the

President, Vice President or Treasurer, or by any other officer or agent of the Corporation to whom the Board of Directors, by resolution, shall have delegated such power, or by hand-stamped impression in the name of the Directors.

E. General and Special Bank Accounts. The Board of Directors from time to time may authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositaries as the Board of Directors may select and may make such rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as they may deem expedient.

F. Two Signatures Required for Amounts More Than \$1,000.00. Any other provisions of these Bylaws notwithstanding, the Board of Directors may not authorize any contract, deed, bond, loan, pledge, negotiable paper, check, draft or other order for the payment of money, note, acceptance or any other evidence of indebtedness in an amount greater than \$1,000.00, issued in the name of the Corporation, to be executed by fewer than two (2) individuals, unless such execution by fewer individuals shall be expressly authorized by resolution of the Board of Directors referring specifically to the transaction to be so executed. All amounts under \$1,000.00, only require one signature.

G. Adoption of Restrictions. The Corporation expressly adopts all restrictions and covenants contained in the Declaration of Protective Covenants of Charleston Harbor Homes Association, Inc.

H. Architectural Review Committee/Prior Approval Necessary. An Architectural Review Committee shall exist under the direction of the Board of Directors of the Corporation. The Board of Directors shall determine the guidelines and membership of the Architectural Review Committee.

No improvements or structures of any sort shall be constructed on any residential tracts without the prior written consent of the Architectural Review Committee. The structural portions or exterior (including exterior portion) of any building shall not be changed or altered without the like written consent of the Architectural Review Committee. Such approval is required for each phase of construction and applies to new construction or remodeling of existing structures.

I. Landscaping Committee/Prior Approval Necessary. A Landscaping Committee shall exist under the direction of the Board of Directors of the Corporation. The Board of Directors shall determine the guidelines and membership of the Landscaping Committee.

Any action to create, modify, or affect the landscape in or near any residential tract shall require prior written consent of the Landscaping Committee. This includes, but is not limited to, newly constructed as well as existing residences, all common areas, lake areas, and the area appurtenant to the pool or any other recreational facilities existing now or created in the future. Upon receipt of an application to modify or affect the landscape, the Landscaping Committee shall not unreasonably withhold approval and shall render a decision within a reasonable period

under the circumstances. The Landscaping Committee is also responsible for the maintenance of all common areas.

ARTICLE VII

CONFLICT OF INTEREST

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnerships, association, or organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for that reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purposes, if the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith, taking into account the fairness of contract or transaction, authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors present.

ARTICLE VIII

AMENDMENTS

These Bylaws, excepting the provisions of Articles I and VIII hereof, may be amended by the affirmative vote of 66 2/3 % of the entire Board of Directors present and voting at any meeting of the Board, provided a description of such proposed amendment shall have been published in the notice calling the meeting at which such amendment shall be voted upon.

ARTICLE IX

INDEMNIFICATION

Each person who is or was a director or officer of the Corporation, including the heirs, executors, administrators, or estate of such person, shall be indemnified by the Corporation 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, costs and expenses including attorney's fees, incurred by such person in his capacity, or arising out of his status, as a director or officer of the Corporation. The indemnification provided by this bylaw provision shall not be exclusive of any other rights to which he may be entitled under any other bylaws or agreement, vote of disinterested directors, or otherwise, and shall not limit in any way any right that the Corporation may have to make different or further indemnification with respect to the same or different person or classes of persons.