

**BYLAWS
OF
CEDAR BROOKE HOMES ASSOCIATION, INC.**

I. NAME AND LOCATION

The name of the Corporation is Cedar Brooke Homes Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at 10707 W. 130th Terrace, City of Overland Park, Johnson County, Kansas, with meetings of members and directors to be held at places within the State of Kansas as may be designated by the Board of Directors. The principal office of the Association may be relocated to such places as the Board of Directors shall from time to time designate.

II. PURPOSE

These Bylaws, in conjunction with the Association's covenants and restrictions as set forth in the Association's Declaration and the Association's Articles of Incorporation, provide for the governance of the Association.

The Bylaws may be supplemented, from time to time, by such rule and regulations as may be prescribed by the Board of Directors in the exercise of the Association's rights and discharge of its obligations.

III. DEFINITIONS

A. "Declarant" is defined to be Stonegate, Inc.

B. "Owner" is defined to mean the record owner, whether one or more persons or entities have a fee simple title to any lot which is a part of the property, but excluding any person or entity having such interest merely as security for the performance of an obligation.

C. "Property" is defined to mean all of that real property described in the Declaration and which is incorporated herein by reference as though fully set forth together with any additions hereinafter made thereto.

D. "Common Areas" shall be defined to mean and refer to all of those parts of the property which are not lots.

E. "Lot" is defined to mean and refer to any plot of land shown upon any recorded subdivision plat of the Property with the exception of the common areas.

F. "Association" is defined to mean Cedar Brooke Homes Association, Inc., its successors and assigns.

G. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

H. "Declaration" shall mean and refer to Cedar Brooke Homes Association, Inc. Declaration as filed in the office of the Register of Deeds, Johnson County, Kansas on October 31, 1997 beginning on page 84 of Book 5356, and all amendments thereto.

IV. MEETINGS OF MEMBERS

A. Annual Meetings. The first annual meeting of the members shall be held within two (2) years from the date of incorporation of the Association and each subsequent annual meeting of the members shall be held on the same date each year thereafter at the hour of seven o'clock in the evening (7:00 PM). If the date of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first subsequent day that is not a legal holiday.

B. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership as defined in the Declaration.

C. Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of the Secretary or person authorized to call the meeting by mailing a copy of such notice of meeting, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote at such meeting at the member's address last appearing in the books of the Association or supplied by such member to the Association for purpose of receiving such notice. Each member, respectively, shall be responsible for providing such address(es) to the Association. Each notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

D. Quorum. The presence at the meeting of members entitled to cast, or proxies held to cast, one-fifth (1/5) of the votes of each class of membership shall constitute a quorum for any acts except as otherwise provided in the Articles of Incorporation, the Declaration or by these Bylaws. If, however, such quorum shall not be present to represent the members at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum as aforesaid shall be present or be represented.

E. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and must be filed with the Secretary of the Association prior to the first meeting at which the proxy is to be effective. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of such members lot.

V. BOARD OF DIRECTORS, SELECTION AND TERM OF OFFICE

A. Number. The affairs of the Association shall be managed by a Board of five (5) directors (the "Board") who shall be members of the Association.

B. Term of Office. The first annual meeting of the members shall elect (5) directors for a term of one (1) year. The Board of Directors will consist of the following offices: President, Vice-President, Secretary, Treasurer, and Member at Large.

C. Removal. Any director may be removed from the Board of Directors with or without cause by a majority vote of the members of the Association. 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 and shall serve the remaining term of the predecessor.

D. Compensation. No director shall receive compensation for any service that may be rendered to the Association as a director. However, any director may be reimbursed for actual expenses incurred in the performance of the duties of the office.

E. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of the meeting that they could take at a meeting by obtaining the approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

VI. NOMINATION AND ELECTION OF DIRECTORS

A. Nomination. Nomination for election to the Board of Directors shall be made by a nomination committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors and two (2) or more 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. 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 which then are to be filled.

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

C. Method of Voting. One (1) vote per office per household.

VII. MEETING OF DIRECTORS

A. Regular Meeting. Regular meetings of the Board of Directors shall be held quarterly without notice at such place and hour as may be fixed from time to time by resolution of the Board of Directors.

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

C. Quorum. The majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by majority of the directors present at a duly held meeting in which a quorum is present shall be regarded as an act of the Board of Directors.

VIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

A. Powers. The Board of Directors shall have power to:

1. Adopt and publish rules and regulations governing the use of the common areas and facilities and the personal conduct of the members and their guests thereon and to establish penalties for infraction thereof (the "Rules and Regulations");

2. Suspend the voting rights and the rights to use the common areas of any member during the period that such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice of a hearing for a period not to exceed sixty (60) days for the infraction of any published rule or regulation;

3. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by any other provision of these Bylaws, the Articles of Incorporation or the Declaration;

4. Declare the office of a member of the Board of Directors to be vacant or in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

5. Employ a manager, an independent contractor or other such employee as it deems necessary to perform their duties.

C. Duties. It shall include the duties of the Board of Directors to:

1. Cause to be kept a complete record of all of its acts and corporate affairs and

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 one-fourth (1/4) of the Class A members entitled to vote;

2. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

3. As more fully provided in the Declaration to:

(a) Fix the amount of annual assessments against each lot at least thirty (30) days in advance of any annual assessments; and

(b) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of any annual assessment; and

(c) Foreclose the lien against the property for which any assessment is not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

4. Prepare and adopt an annual budget for the Association;

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

6. Procure and maintain adequate liability and hazard insurance on the property owned by the Association;

7. Cause all officers and employees handling fiscal responsibilities to be bonded as it may deem appropriate;

8. Provide for the care, maintenance and upkeep of the common areas and the property insofar as the Board of Directors may deem necessary to fulfill the purposes of these Bylaws, the Declaration, and the Articles of Incorporation of the Association;

9. Make and amend the Rules and Regulations.

10. Enforce these Bylaws, the Declaration, the Articles of Incorporation, the Rules and

Regulations and such other statutes and ordinances as are applicable;

11. Do such other things and acts not inconsistent with these Bylaws, the Declaration, the Articles of Incorporation, and the Rules and Regulations of the Association.

C. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Five Hundred Dollars (\$500), and all checks drawn upon reserve accounts, shall be executed by any two (2) persons designated by the Board of Directors. All such instruments for expenditures or obligations of Five Hundred Dollars (\$500) or less, except from reserve accounts, may be executed by any one (1) person designated by the Board of Directors.

D. Board of Directors as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for all of the owners of all of the lots and for each of them, to manage, control and deal with the interest of such owners in the common areas, and to permit the Board of Directors to fulfill all of its powers, rights, functions and duties. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for each owner, each mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Association or the property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims. The Board of Directors may also grant and accept easements and licenses.

IX. OFFICERS AND THEIR DUTIES

A. Enumeration of Officers. The officers of this Association shall be a President, a Vice President, a Secretary, a Treasurer and a Member-At-Large.

B. Election of Officers. Election of officers shall take place at the annual meeting of the members. Each owner shall be entitled to cast one (1) vote toward the election of each office.

C. Term. The officers of the Association shall be elected annually and shall hold office for one (1) year unless he or she shall sooner resign or be removed or otherwise be disqualified from serving.

D. Special Appointments. The Board may elect such other officers as the affairs of the Association may require and each of whom shall hold office for such period, have such authority and perform its duties as the Board may from time to time determine.

E. Resignation and Removal. Any officer may be removed from office with or without cause by the Board by majority vote of the members of the Board of Directors. Any officer may resign at any time by giving written notice

to the Board, the President or 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 acceptance of such resignation shall not be necessary to make it effective.

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

G. Multiple Offices. No person shall simultaneously hold more than one of the offices except in the case of special offices created pursuant to Section D of this article.

H. Duties. The duties of the officers are as follows:

President

The President shall preside at all meetings of the Board of Directors and shall see that orders and resolutions of the Board are carried out and shall sign all lease, mortgages, deeds and other written instruments and shall co-sign all checks, promissory notes or other instruments on behalf of the Association.

Vice-President

The Vice President shall act in the place and stead of the President in the event of his absences, inability or refusal to act and shall exercise and discharge as other duties may be required of him by the Board.

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 corporation and affix it on all papers requiring said seal; serve notice of the meetings of the Board and the members; keep appropriate current records showing the members of the Association together with their addresses, and perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in the appropriate bank accounts all monies due 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 to be made by public accountant at the completion of the fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual regular meeting; and to deliver a copy of each to the members.

Member-At-Large

The Member-At-Large shall be assigned duties and responsibilities as prescribed by the President as mandated by specific circumstances or events.

X. INDEMNIFICATION OR DIRECTORS AND OFFICERS

When a person is sued, either alone or with others, because he is or was a director or officer of the corporation, or of another corporation serving at the request of this corporation, if any proceeding arising out of his duties or out of any alleged wrongful act against the corporation or by the corporation, he shall be indemnified for his reasonable expenses, including attorney's fees incurred in the defense of the proceedings, if both of the following conditions exist:

- (a) The person sued is successful in whole or in part, or the proceeding against him is settled with the approval of the court; and
- (b) The court finds that his conduct fairly and equitably merits such indemnity.

The amount of such indemnity which may be assessed against the corporation, its receiver, or its trustee, by the court in the same or in a separate proceeding shall be so much of the expenses, including attorney's fees incurred in the defense of the proceeding, as the court determines and finds to be reasonable. Application for such indemnity may be made either by the person sued or by the attorney or other person rendering services to him in connection with the defense, and the court may order the fees and expenses to be paid directly to the attorney or other person, although he is not a party to the proceeding. Notice of the application for such indemnity shall be served upon the corporation, its receiver, or its trustee, and upon the plaintiff and other parties to the proceeding. The court may order notice to be given also to the members in the manner provided in Article IV(c) hereof, for giving notice of members' meetings, in such form as the court directs.

XI. 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 of the Association. 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 a reasonable cost.

XII. ASSESSMENT

As more fully provided in the Declaration each member is obligated to pay the Association's annual assessments that are secured by a continuing lien upon the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent. If any

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 eight percent (8%) per annum, and the Association may bring an action at law or equity against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorney's fees for any such action shall be added to the amount of such assessment. No one may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or by abeyance or abandonment of any claim to or interest in a lot.

XIII. CORPORATE SEAL

The Association may have a seal in circular form with the circumference of the words "Cedar Brooke Homes Association, Inc.".

XIV. AMENDMENTS

A. General. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of the majority of a quorum of the members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration have the right to veto amendments while there is a Class B membership.

B. Order of Precedence. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

XV. MISCELLANEOUS

A. Fiscal Year. The fiscal year of the Association shall begin the first day of July and end on the 30th day of June of every year except that the first fiscal year shall begin on the date of incorporation.

B. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

C. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

D. Construction. These Bylaws are intended to comply with all of the applicable provisions of Kansas Law and shall be so interpreted and applied.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the duly elected and acting Secretary of the "Cedar Brooke Homes Association, Inc.", a Kansas Corporation; and
- (2) That the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at the first meeting of the Board of Directors thereof, duly held on the 24th day of July, 1998.

In TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation this 24th day of July, 1998.


Secretary

(SEAL, if applicable)