

**BY-LAWS**

**OF**

**QUAILWOOD ESTATES HOMES ASSOCIATION**

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ADOPTED September 1, 1999

**ARTICLE I**

**NAME, OFFICES AND DEFINITIONS**

1. Name. The name of the Association shall be QUAILWOOD ESTATES HOMES ASSOCIATION, (hereinafter referred to as the "Association" or "Corporation").
2. Principal Office. The principal office for the transaction of the business of the Association is hereby located at 2011 E. Crossroads Lane, Olathe, Kansas, 66062.
3. Registered Office. The Association, by resolution of its Board of Directors, may change the location of its registered office as designated in the Articles of Incorporation to any other place in Kansas. By a like resolution, the resident agent at such registered office may be changed to any other person or corporation, including itself. Upon adoption of such a resolution, a certificate certifying the change shall be executed, acknowledged and filed with the Secretary of State, and a certified copy thereof shall be recorded in the Office of the Registrar of Deeds for the County in which the new registered is located (and in the old county, if such registered office is moved from one county to another).

4. Other Offices. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Corporation is qualified to do business.

5. Definitions. The words in these Bylaws shall have the same meaning as set forth in QUAILWOOD ESTATES Homes Association Declaration (hereinafter "Declaration"), unless the context shall prohibit.

## ARTICLE II

### MEMBERSHIP, MEETINGS, VOTING, POWERS

1. Membership. Member status shall be achieved by meeting the requirements set forth in the Declaration and upon payment of membership dues. The membership provisions of the Declaration are specifically incorporated herein by reference.

2. Inspection of Bylaws. The Corporation shall keep in its principal office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to the inspection by the members at all reasonable times during the ordinary business hours.

3. Inspection of Corporate Records.

4. Place of Meetings. Meetings of the Association's members shall be held at the principal office of the Association, or at such other suitable place convenient to the members as may be designated by the Board of Directors.

5. Annual Meetings. The first meeting of the members, whether a regular or a special meeting shall be held within one (1) year from the date of incorporation of the

Association, and not later than six (6) months after the closing of the sale of the first residential unit. The next annual meeting shall be set by the Board so as to occur no later than 30 days before the close of the Association's fiscal year. Subsequent regular annual meetings of the members shall be held within 30 days of the same day of the same month of each year thereafter at an hour set by the Board. The annual meeting of the members shall be held at a date and time as set by the Board of Directors. If that date is a legal holiday, the meeting shall be held at the same hour the next succeeding business day.

6. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association as so directed by resolution of the majority of a quorum of the Board of Directors or upon a Petition signed by at least five percent (5%) of the total votes of the Association. A notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

7. Notice of Meetings. It shall be the duty of the Secretary to mail or cause to be delivered to each member a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held; if a member wishes notice to be given at an address other than his or her residential unit, he or she shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting and the manner provided in this section shall be considered service of notice. Notices shall be delivered no less than seven (7) days nor more than thirty (30) days before a meeting.

8. Waiver of Notice. Waiver of Notice of Meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any annual, special or any other meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member particularly object to lack of proper notice at the time the meeting is called to order.

9. Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

10. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointment time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her residential unit or upon receipt notice by the Secretary of the Board of the death or judicially declared incompetence of a member. No such proxy shall be valid after the expiration of three (3) years from the date of its execution unless the person executing it specified therein the length of time for which such proxy is to continue in force.

11. Quorum. Accept as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of one-third (1/3) of the members shall constitute a quorum at all meetings of the Association.

12. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and a record in a

minute book of all resolution adopted at the meeting, as well as record of all transactions occurring at the meeting.

13. Action Without a Meeting. Any action which may be taken by vote of the members at a regular or special meeting, except the election of Board members, may be taken without a meeting as and to the extent permitted by Kansas law.

14. Powers and Duties of the Homes Association. The powers and duties of this Homes Association and its members shall be as set forth in the Declaration and Articles of Incorporation and such powers and duties provisions are specifically incorporated herein.

### ARTICLE III

#### BOARD OF DIRECTORS

##### NUMBER, POWERS AND MEETINGS

1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, except as otherwise provided, the directors shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time.

2. Number of Directors. The business and affairs of the Association shall be managed by the Board of Directors, composed of four directors. Each director named in the Articles of Incorporation shall hold office until the first annual election of directors or until his earlier resignation or removal. Each individual elected as a director shall serve for a term of one year and until his successor is duly elected and has commenced his term of office or until his earlier resignation or removal.

3. Nomination of Directors. Nominations for directors at any meeting called for the purpose of electing directors shall be permitted from the floor. All candidates shall a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

4. Term of Office. Each director shall be elected by the members at each annual meeting and shall hold office until the next annual meeting of the shareholders and until that director's successor shall have been elected and qualified.

5. Removal. A director may be removed from office at any time for cause, however, by a majority vote of the voting members, and the director may be removed without cause by a two-thirds (2/3) vote of the voting members. A director whose removal has been proposed by the members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

6. Vacancies in the Board of Directors. Vacancies in the Board, whether caused by removal, death, mental or physical incapacitation, or any other reason, including vacancies caused by an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the Board, or by a sole remaining director.

7. Regular Meetings. A regular meeting of the Board shall be held without notice immediately following and at the same place as the annual members' meeting for the purposes of electing officers and conducting such other business as may come before the Board. The Board, by resolution, may provide for additional regular meetings which may

be held without notice, except to Board members not present at the time of the adoption of the resolution.

8. Special Meetings. A special meeting of the Board may be called at any time by the president or by one (1) director for any purpose. Such meeting shall be held upon not less than three days notice if given orally, (either by telephone or in person,) or by telegraph, or upon not less than five days notice if given by depositing the notice in the United States mails, postage prepaid. Such notice shall specify the time, place and purposes of the meeting.

9. Action Without Meeting. The Board may act without a meeting if, prior to such action, each member of the Board shall consent in writing thereto. Such consent or consents shall be filed in the minute book.

10. Quorum. A majority of the entire Board shall constitute a quorum for the transaction of business.

11. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association.

12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

13. Open Meetings. All meetings of the Board shall be open to all members, but members other than the Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

14. Powers and Duties. The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the common expenses;
- (b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; (Unless otherwise determined by the Board of Directors, the annual assessment against the proportionate share of the common expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance of the first day of each month for said month.)
- (c) providing for the operation, care, upkeep, and maintenance of all the Common Areas;



- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;
- (I) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its members and not chargeable to owners; and
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices.
- (m) make available to any prospective purchaser of a Residential Unit, any Owner of a Residential Unit, any first Mortgagee, and the Holders, Insurers,

and Guarantors of a first Mortgage on any Residential Unit current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Residential Unit, and all other books, records, and financial statements of the Association; and

- (n) permit utility supplies to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Project.

17. Votes and Voting. All votes required of directors hereunder may be by voice vote or show of hands, unless a written ballot is requested, which request may be made by any one director. Each director shall have one vote, unless the Articles of Incorporation provide that directors elected by the holders of a class of members have more or less than one vote per director on any matter. Every reference to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of such directors.

#### ARTICLE IV

#### OFFICERS

1. Election. At its regular meeting following the first or annual meeting of the members, the Board of Directors shall elect a President, a Treasurer, and a Secretary. The Board may elect such other officers, including one or more Vice Presidents, as it shall deem necessary. One person may hold two or more offices.

2. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

3. Duties and Authority of President. The President shall be chief executive officer of the Association. Subject only to the authority of the Board, he shall have general charge

and supervision over, and responsibility for, the business and affairs of the Association. Unless otherwise directed by the Board, all other officers shall be subject to the authority and supervision of the president. The president may enter into and execute in the name of the Association contracts or other instruments in the regular course of business or contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board. He shall have the general powers and duties of management usually vested in the office of president of a Association.

4. Duties and Authority of Vice President, (if any). The vice president shall perform such duties and have such authority as from time to time may be delegated to him by the president or by the Board. In the event of the absence, death, inability or refusal to act by the president, the vice president shall perform the duties and be vested with the authority of the president.

5. Duties and Authority of Treasurer. The treasurer shall have the custody of the funds of the Association and shall keep or cause to be kept regular books of account for the Association. The treasurer shall perform such other duties and possess such other powers as are incident to that office or as shall be assigned by the president or the Board.

6. Duties and Authority of Secretary or Clerk. The secretary or clerk shall cause notices of all meetings to be served as prescribed in these By-Laws and shall keep or cause to be kept the minutes of all meetings of the members and the Board. The secretary or clerk shall have charge of the seal of the Association, if any. The secretary or clerk shall perform such other duties and possess such other powers as are incident to that office or as are assigned by the president or the Board. The Secretary shall keep or cause to be kept

at the principal office or at the office of the Association's registered agent, a membership ledger, showing the names of the members and their addresses, and the number and date of membership certificates, if any, issued; and of the date of suspension, termination or resignation of every membership certificate (if any) surrendered for cancellation.

7. Removal of Officers. The Board may remove any officer or agent of the Association if such action, in the judgment of the Board, is in the best interest of the Association. Appointment or election to a corporate office shall not, of itself, establish or create contract rights.

8. Vacancies in Offices. The Board, in its absolute discretion, may fill all vacancies in offices, regardless of the cause of such vacancies, for the remainder of the terms of the offices.

9. Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

1. Dues. The dues required for initial membership and annually or otherwise shall be as specified by QUAILWOOD ESTATES Homes Association Declaration or by written resolution of the Board of Directors. Such dues may be changed from time to time, except that once a member has paid the original membership fee, and becomes a member,

no subsequent increase or decrease in the membership fee shall warrant an assessment or require a refund as to such fee with respect to such member. Nonpayment of due shall be a proper cause for suspension or revocation of membership hereunder.

2. Dissolution. This Corporation shall be dissolved by following the procedures set forth in the Kansas Corporations Code, including but not limited to K.S.A. 17-6805 (1994 Supp.). Dissolution shall occur only upon approval by voting of 75% of the members of the Corporation.

3. Severability. If at any time any provision of these Bylaws shall be found to be in conflict with any applicable law, regulation or ordinance, such provision(s) shall become null and void, but no other parts of these Bylaws shall be affected thereby.

4. Tax Exempt Status. No Director or Member shall take or approve any action which would jeopardize the tax exempt eligibility or status of this Association.

## ARTICLE VI

### GENERAL PROVISIONS

1. Depositories and Checks. The moneys of the Association shall be deposited in such manner as the directors shall direct in such banks or financial institutions as the directors may designate and shall be drawn out by checks signed in such manner as may be provided by resolution adopted by the Board of Directors.

2. Certain Loans Prohibited. The Association shall not make any loan to any officer or director of the Association.

3. Absence of Personal Liability. The directors, officers and members of the Association shall not be individually or personally liable for the debts, liabilities or obligations of the Association.

4. Indemnification and Liability of Directors and Officers. Each person who is or was a director or officer of the Association or is or was serving at the request of the Association as a director or officer of another corporation (including the heirs, executors, administrators and estate of such person) shall be indemnified by the Association as of right to the full extent permitted or authorized by the laws of the State of Kansas, 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 the bylaw provision shall not be exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, under any other bylaw or under any agreement, vote of members or disinterested directors or otherwise, and shall not limit in any way any right which the corporation may have to make different or further indemnifications with respect to the same or different persons or classes of persons.

ARTICLE VII

AMENDMENT

These bylaws may be altered, amended, or repealed in any of the following ways:

(i) by a two-thirds (2/3) vote of the members of the Association present at the meeting at which a quorum is present, or (ii) by a three-fourths (3/4) vote of the Board of Directors.

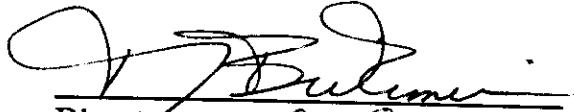
ATTESTATION

We, the undersigned, being all the Directors of QUAILWOOD ESTATES Homes Association, do hereby certify:

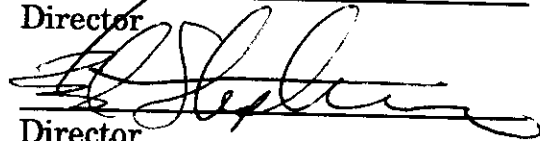
That we are entitled to exercise all the voting power of said Corporation; and

That we hereby attest to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said Corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 1<sup>st</sup> day of September, 1999.



Director



Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

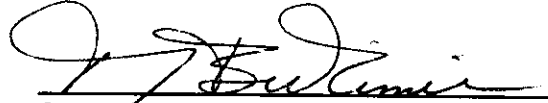
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of QUAILWOOD ESTATES Homes Association, a Kansas not-for-profit Corporation; and

(2) That the foregoing Bylaws, comprising fifteen (15) pages constitute the original Bylaws of said Corporation, as duly adopted at the first meeting of the Board of Directors thereof duly held on the 1<sup>st</sup> day of September, 1999.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation this 1<sup>st</sup> day of September, 1999.

  
Secretary