REVISED BYLAWS OF THE FOUR COLONIES HOMES ASSOCIATION

(As updated by vote taken at the annual meeting held April 18, 2011 to conform to KSA 58-4601 et seq)

These Bylaws expand, interpret or specifically define certain portions of the Articles of Incorporation of the Four Colonies Homes Association and the Declaration of Covenants, Conditions and Restrictions to which it is subject. (Adopted: September 18, 1989)

To increase the Association's operating efficiency and to assure consistency in the manner in which it provides maintenance services, the Association hereby establishes these provisions. By adopting these Bylaws, the members of the Association agree to be bound as follows: (*Adopted: September 18,1989*)

ARTICLE 1 NAME AND LOCATION

The name of the corporation is Four Colonies Homes Association. The principal office of the Association is located at 7975 Monrovia, Lenexa, Johnson County, Kansas 66215. Meetings of Owners and Directors may be held at such places within the State of Kansas, County of Johnson, as may be designated by the Board of Directors. (Adopted: September 18, 1989)

ARTICLE 2 DEFINITIONS

Acceleration means the process through which any installment of either an annual or a special assessment declared delinquent because of non-payment automatically shall cause the entire unpaid portions of both types of assessment for the calendar year in which the acceleration occurs to be deemed delinquent, immediately due, and subject to interest at the rate of six (6) percent per annum. (Amended: June 1, 1992

Act means the Kansas Uniform Common Interest Owners Bill of Rights Act, K.S.A. 58-4601 et seq. (Adopted: April 18, 2011 to conform to K.S.A. 58-4601 a)

Adjusted Annual Assessment means the gross annual assessment less the budgeted allowance for delinquencies. (Adopted: November 9, 1992)

Annual Assessment means the sum of the Common Area/Common Facilities maintenance assessment amount (which shall be a uniform amount assessed against each Lot) and the Lot maintenance assessment amount (which shall be a uniform amount assessed against each Lot with like improvements) and any such other amounts as may be added to either due to acceleration or restoration. (Adopted: April 16, 1990)

<u>Articles</u> means the Articles of Incorporation of the Four Colonies Homes Association. (*Adopted: September 18, 1989*)

Assessment means the sum attributable to each unit and due to the Association pursuant to the budget adopted under section 19, and amendments thereto. (Adopted: April 18, 2011 to conform to K.S.A. 58-4602 a)

<u>Association</u> means Four Colonies Homes Association, its successors and assigns. (*Adopted: September 18, 1989*)

Board of Directors means the body, regardless of name, designated in the Declaration or Bylaws, which has power to act on behalf of the Association. (Adopted: April 18, 2011 to conform to K.S.A. 58-4602 c)

Bylaws means the instruments, however denominated, that contain the procedures for conduct of the affairs of the Association, regardless of the form in which the Association is organized, including any amendments to the instruments. (Adopted: April 18, 2011 to conform to K.S.A. 58-4602 d)

<u>Colony One</u> wherever appearing in the Articles, the Declaration or these Bylaws means and refers equally to Colonies One, Two, Three, and Four. (*Adopted: September 18, 1989*)

<u>Common Area</u> means all real property owned by the Association for the common use and enjoyment of the Owners. (*Adopted: September 18, 1989*)

<u>Common Elements</u> means those portions of the property not owned individually by unit Owners, but in which an indivisible interest is held by all unit Owners, generally including the grounds, parking areas and recreational facilities. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4602 e*)

<u>Common Facilities</u> means all improvements situated upon the Common Area which are for the common use and enjoyment of the Owners. (*Adopted: September 18, 1989*)

<u>Common Interest Community</u> means the real estate described in the Declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements, other units, or other real estate described in the Declaration. For purposes of this paragraph, ownership of a unit does not include holding a leasehold interest. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4602 f*)

<u>Declaration</u> means the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Johnson County, Kansas. (*Adopted: September 18, 1989*)

<u>Due Date</u> for the payment of any installment of the annual assessment means the fifteenth (15th) day of each calendar month, except that special one-time assessments may have their own due date. (*Amended: April 16, 1990*)

<u>Eligible Owner</u> means any Owner whose voting rights and Common Facilities use rights are not suspended. (*Adopted: September 18, 1989*)

Eligible Owner in Residence means any Owner who resides within the Properties and whose voting rights and Common Facilities use rights are not suspended. (Adopted: September 18, 1989)

Fiscal Year means the calendar year. (Adopted: September 18, 1989)

<u>Lot</u> means any plot of land shown upon any recorded subdivision, survey or map of the Properties, together with any improvements thereon, with the exception of the Common Area. (*Adopted: September 18, 1989*)

Member means any person entitled to membership as provided in the Declaration and shall be synonymous with Owner. (Adopted: September 18, 1989)

Operating Procedures means the standard operating practices as established by the Board of Directors. (Adopted: November 4, 1998)

Owner means the owner of record, as recorded in the Office of the Register of Deeds of Johnson County, Kansas, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and shall be synonymous with member. (Adopted: September 18, 1989)

Person means an individual, corporation, estate, trust, partnership, Limited Liability Company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity. In the case of a land trust, the term means the settlor of the trust rather than the trust or the trustee. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4602 j*)

<u>Private Streets</u> means those streets within the Properties not dedicated to the public domain. (Adopted: September 18, 1989)

<u>Properties</u> means that certain real property described in the Declaration including such additions thereto as may have been or may be brought within the jurisdiction of the Association and excluding such deletions therefrom as may have been or may be removed from the jurisdiction of the Association through dedication or transfer. (*Adopted: September 18, 1989*)

Record, used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. (Adopted: April 18, 2011 to conform to K.S.A. 58-4602 k)

Rule means a policy, guideline, restriction, procedure, or regulation of the Association, however denominated, which is not set forth in the Declaration or Bylaws but

which governs the conduct of persons or the use or appearance of property. (Adopted: April 18, 2011 to conform to K.S.A. 58-4602 m)

<u>Unit</u> means a physical portion of the common interest community designated for separate ownership or occupancy. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4602 n*)

<u>Unit owner</u> means a person that owns a unit. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4602 o*)

ARTICLE 3 PROPERTY RIGHTS

<u>Section 1. Owner's Easement of Enjoyment.</u> Every Owner shall own an equal, undivided, inseparable, and indivisible interest in the Common Area and Common Facilities; and every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions: (*Adopted September 18, 1989*)

- a. The Association may charge reasonable admission and other fees for the use of any Common Facilities; (Adopted: September 18, 1989)
- b. The Common Facilities use rights, all voting rights involving issues of assessments and fees, and all rights to address the Board of Directors or Owners in attendance at regular or special meetings of the Board of Directors automatically shall be suspended by the Association for all Owners and the occupants of their property for that period of time commencing on the 31st day after the due date of any unpaid assessment installment and continuing without interruption until the assessment account, including all amounts delinquent, all amounts accelerated due to delinquency and all accrued interest, shall be paid. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4608 a (6) B)*
- c. The Association may dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners agreeing to such dedication or transfer has been recorded in the Office of the Register of Deeds, County of Johnson, State of Kansas. (Adopted: September 18, 1989)
- <u>Section 2. Delegation of Use.</u> Any Owner may delegate, in accordance with these Bylaws, his/her right of enjoyment to the Common Area and Common Facilities to the members of his/her family, his/her tenants, or contract purchasers who reside on the property. Such delegation or other assignment shall be subject to Article 3, Section 1b, of these Bylaws. (*Adopted: September 18, 1989*)
- <u>Section 3. Parking Rights.</u> The Owner or Owners of a Lot that does not have on-lot parking shall be entitled to no more than two automobile parking spaces as near to the owned Lot as practical. The Owner or Owners of a Lot that has on-lot parking shall be entitled to no more than one additional automobile parking space as near to the owned Lot as Practical. Garages

and carports shall be considered to be on-lot-parking facilities. (Adopted: September 18, 1989)

ARTICLE 4 OWNERSHIP, VOTING RIGHTS, AND ACCESS TO RECORDS

<u>Section 1.</u> Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. (*Adopted: September 18, 1989*)

Section 2. The Association shall have one class of voting membership that shall be the Eligible Owners. Each Lot shall be entitled to one vote without regard to the number of persons or other entities that are recorded Owners of that Lot. The votes for such Lots as have multiple Owners may be cast in any manner as the Owners shall determine, provided that one vote is cast per Lot and no vote may be divided into fractions of a vote. (*Adopted: September 18, 1989*)

Eligible Owners may vote at any meeting of the Association in person or by written proxy duly filed with the Secretary of the Association. (*Adopted: September 18, 1989*)

Section 3.Books and Records: Retention, Access and Exceptions.

- a. <u>Retention.</u> The Association, or its agents, must retain the following for five years unless otherwise provided:
 - (1) detailed records of receipts and expenditures affecting the operation and administration of the Association and other appropriate accounting records;
 - (2) minutes of all meetings of its unit Owners and Board of Directors other than executive sessions, a record of all actions taken by the unit Owners or Board of Directors without a meeting, and a record of all actions taken by a committee in place of the Board of Directors on behalf of the Association;
 - (3) the names of unit Owners in a form that permits preparation of a list of the names of all unit Owners and the addresses at which the Association communicates with them, in alphabetical order showing the number of votes each Owner is entitled to cast;
 - (4) its original or restated organizational documents, Bylaws and all amendments to them, and all rules currently in effect;
 - (5) all financial statements and tax returns of the Association for the past three years;
 - (6) a list of the names and addresses of its current Board of Directors, members and officers;
 - (7) its most recent annual report, if any, delivered to the Secretary of State;

- (8) financial and other records sufficiently detailed to enable the Association to comply with other requirements of law;
- (9) copies of current contracts to which it is a party;
- (10) records of Board of Directors or committee actions to approve or deny any requests for design or architectural approval from unit Owners; and
- (11) ballots, proxies, and other records related to voting by unit Owners for one year after the election, action, or vote to which they relate.
- b. <u>Access and copying.</u> Subject to subsections (c) through (f), records retained by the Association must be available for examination and copying by a unit Owner or the Owner's authorized agent:
 - (1) during reasonable business hours or at a mutually convenient time and location; and
 - (2) upon ten (10) days' written notice reasonably identifying the specific records of the Association requested.
 - (3) The Articles, the Declaration, and these Bylaws shall be available for inspection by any Owner at the principal office of the Association, where copies may be purchased at a reasonable cost. (*Adopted*: September 18, 1989)
 - (4) The Association shall provide the new Owner of any Lot with one copy of the Articles, the Declaration and these Bylaws at no cost providing that the sale or transfer of the Lot is reported to the Association office. (Adopted: September 18, 1989)
- c. <u>Exceptions</u>. Records retained by the Association may be withheld from inspection and copying to the extent that they concern:
 - (1) personnel, salary, and medical records relating to specific individuals;
 - (2) contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;
 - (3) existing or potential litigation or mediation, arbitration, or administrative proceedings;
 - (4) existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the Declaration, Bylaws, or rules;

- (5) communications with the Association's attorney, which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;
- (6) information the disclosure of which would violate law other than this act;
- (7) records of an executive session of the Board of Directors; or
- (8) individual unit files other than those of the requesting Owner unless the unit Owner in question has granted written permission to access or copy his/her file.
- d. The Association may charge a reasonable fee for providing copies of any records under this section and for supervising the unit Owner's inspection.
- e. A right to copy records under this section includes the right to receive copies by photocopying or other means, including copies through an electronic transmission if available upon request by the unit Owner. Copied records may be used for any reasonable purposes other than for commercial purposes.
- f. The Association is not obligated to compile or synthesize information.
- g. None of the requirements or restrictions imposed by this section shall apply to any member or members of the Board of Directors, who may have free access to any and all books and records of the Association at any time. (Adopted: February 18, 1991)

(Except as otherwise noted, this entire Section adopted April 18, 2011 to conform to K.S.A. 58-4616)

Section 4. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: Four Colonies Homes Association, Kansas, Corporate Seal. (Adopted: September 18, 1989)

ARTICLE 5 COVENANT FOR MAINTENANCE ASSESSMENTS

<u>Section 1. Creation of the Lien and Personal Obligation of Assessments.</u> Subject to the provisions of Section 2 of this Article, each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (*Adopted: September 18, 1989*)

- a. annual assessments or charges, and (Adopted: September 18, 1989)
- b. assessments for capital improvements. (Adopted: September 18, 1989)

Such assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable

attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his/her successors in title unless expressly assumed by them. (Adopted: September 18, 1989)

<u>Section 2. Purpose of Assessments.</u> The assessments levied by the Association shall be used exclusively (*Adopted: September 18, 1989*)

a. to promote the recreation, health, safety, and welfare of the residents in the Properties; and (Adopted: September 18, 1989)

b. for the maintenance and improvement of the Properties. (Adopted: September 18, 1989)

Section 3. Maximum Annual Assessment. The maximum annual assessment may be increased each year not more than three (3) percent above the maximum annual assessment for the previous year without the assent of the Eligible Owners. The maximum annual assessment may be increased above three (3) percent with the assent of two-thirds (2/3) of the Eligible Owners, voting in person or by proxy at a meeting duly called for this purpose. (Adopted: September 18, 1989)

Section 4. Special Assessments for Capital Improvements and Emergencies

- a. For capital improvements. In addition to the annual assessments authorized in Section 3, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment first shall have been authorized by the Owners, voting at a special meeting duly called for that purpose. Such authorization shall be obtained prior to the incurring of any such cost. (*Amended: February 18, 1991*)
- b. <u>To address an emergency</u>. If the Board of Directors determines by a 2/3 vote of the membership of the Board that a special assessment is necessary to respond to an emergency:
 - (1) the special assessment shall become effective immediately in accordance with the terms of the vote;
 - (2) notice of the emergency assessment must be provided promptly to all unit Owners; and
 - (3) the Board of Directors may spend the funds paid on account of the emergency assessment only for the purposes described in the vote. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4620 c*)

<u>Section 5. Rate of Assessment: Annual Assessment.</u> That portion of the annual assessment against any Lot that is to be used for the purpose of maintaining the Common Area/Common Facilities shall be the same as for all Lots and may be collected on a monthly basis.

That portion of the annual assessment against any Lot which is to be used for the purpose of maintaining Lots shall be determined on a Lot-by-Lot basis taking into account those maintenance items for which funds are assessed and collected. (Amended: November 4,1998)

Section 6. Rate of Assessment: Special Assessment. The amount assessed against any Lot shall be the same for all Lots and may be collected according to the terms specified in the Special Assessment Resolution. (Adopted: February 18, 1991)

Section 7. Date of Commencement: Annual Assessment. The annual assessment period shall be each calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. (Amended: February 18, 1991)

<u>Section 8. Date of Commencement: Special Assessment.</u> The special assessment period shall be as specified in the Special Assessment Resolution. (*Adopted: February 18, 1991*)

Section 9. Effect of Non-Payment of Assessments. Any installment of either an annual assessment or a special assessment not paid within thirty (30) days after the due date shall be deemed delinquent. Any such delinquency automatically shall cause the entire unpaid portion of both types of assessment for said year to be accelerated immediately. (*Amended: February 18, 1991*)

Section 10. Remedies of the Association in Instances of Delinquency. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property through proceedings in any court in Johnson County, Kansas, having jurisdiction of suits for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, Common Facilities or abandonment of his/her Lot. (Amended: February 18, 1991)

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon any property subject to assessment. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. (Amended: February 18, 1991)

<u>Section 12. Exempt Property.</u> All properties dedicated to, or accepted by, a local public authority shall be exempt from the assessments created herein. However, no Lot shall be exempt from said assessments. (*Amended: February 18, 1991*)

ARTICLE 6 MAINTENANCE

- Section 1. Maintenance and Preservation Responsibilities of the Association. The Association shall be responsible for the maintenance and preservation of the Common Area and Common Facilities. In addition to maintenance upon the common areas, the Association shall provide exterior maintenance upon each Lot which is subject to assessment for exterior maintenance hereunder, as follows: paint, repair, replace and care for roofs, gutters and downspouts, exterior building surfaces (to be defined as paint only), trees, shrubs, grass (excluding grass within fences), walks, and other exterior improvements. Walks and driveways that benefit a specific residence(s), and trees and shrubs on individual Lots, shall be excluded unless funds are specifically assessed for their maintenance. (Amended: November 4, 1998)
 - a. Due to the unique nature of each Lot, Owners shall be expected to provide certain types of routine care themselves; (Adopted: September 18, 1989)
 - b. In the absence of misconduct or negligence on its own part, the Association will not be held responsible for the costs of any maintenance to any Lot suffering damage attributable to
 - (1) pests such as termites or carpenter ants;
 - (2) fire; or
 - (3) adverse weather conditions such as flood, tornado, high winds or hail, except that should an adverse weather condition result in such damage that the Board of Directors recognize it to have been a catastrophe, then the Association may, at its discretion, reimburse each homeowner all or a part of the deductible portion of his/her homeowners' insurance claim amount. The amount, if any, of the deductible reimbursed shall be determined by the Board of Directors on an occurrence basis. (Amended: June 1, 1992)
 - c. In no case will the Association be held responsible for damage due to misconduct or negligence on the part of any Owner, occupant, guest, or invitee. (Adopted: September 18, 1989)
- <u>Section 2. Association's Right of Easement.</u> The Association, its agents and employees shall have the right to enter upon any Lot for the purpose of performing maintenance, and is hereby granted a specific easement for such purposes. (*Adopted: September 18, 1989*)
- <u>Section 3. Association's Right of Restoration: Lot.</u> In the event an Owner shall fail to maintain his/her Lot in a manner consistent with the Declaration and/or these Bylaws, then the Association, after approval by two-thirds (2/3) vote of the Directors present at a meeting, shall

have the right, through its agents or employees, to enter upon and restore said Lot. The cost of such restoration shall be added to and become part of the annual assessment to which such Lot is subject. This shall include restoration of any Lot damaged by pests such as termites or carpenter ants. (Amended: April 16, 1990)

Section 4. Association's Right of Restoration: Common Area/Common Facilities. In the event an Owner or Owner's designee, through his/her willful act or negligence, shall cause the Association to incur extra expense in maintaining or preserving any part of the Common Area or any of the Common Facilities, then after approval by two-thirds (2/3) vote of the Directors present at a meeting, the Association shall have the right to charge such extra expense to said Owner. Such charge shall be added to and become part of the annual assessment to which the Lot of such Owner is subject. (Adopted: April 16, 1990)

ARTICLE 7 MEETINGS OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Association shall be held within Johnson County, Kansas, on the third Monday of April. Should an annual meeting fall on a legal holiday, then said meeting shall be held at the same place and time on the following day. Annual meetings shall be for the purposes of electing Directors and for transacting such other business as may properly be brought before the Association. (*Adopted: September 18, 1989*)

<u>Section 2. Special Meetings.</u> Special meetings of the Owners may be called at any time by the President of the Association or by a majority of the Board of Directors, or upon written request of the Eligible Owners of sixty-nine (69) Lots (10 percent of 681 Lots). (Adopted: April 18, 2011 to conform to K.S.A. 58-4611 b)

<u>Section 3. Requirements for Special Meetings Regarding Annual Assessments or Special Assessments for Capital Improvements.</u>

- a. <u>Notice</u>. At least ten (10) but not more than sixty (60) days before any such meeting of the Owners, notice of that meeting shall be given to each Owner by, or at the direction of, the Secretary or other person authorized to call the meeting. Any such notice shall specify the place, day, hour and purpose of the meeting. Delivery of such notice may be made by:
 - (1) hand delivery to each unit Owner;
 - (2) United States mail postage paid to the mailing address of each unit;
 - (3) any commercially reasonable delivery service to the mailing address of each unit;
 - (4) electronic means, if the unit Owner has given the Association an electronic address;
 - (5) any combination of the above; or

(6) any other method reasonably calculated to provide timely notice to the unit Owner.

The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting. (*Adopted: April 18*, 2011 to conform to K.S.A. 58-4618 b).

If the Association does not notify unit Owners of a special meeting within 30 days after the requisite number or percentage of unit Owners request the secretary to do so, the requesting members may directly notify all the unit Owners of the meeting. (Adopted: April 18, 2011 to conform to K.S.A. 58-4611 b)

The minimum time to give notice required by this subsection may be reduced or waived for a meeting called to address an emergency. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4611 d*)

- b. <u>Quorum and Majority at First-Called Meeting.</u> At the first such meeting called, the presence, in person or by proxy, of the Eligible Owners of at least four-hundred-nine (409) Lots (60 percent of 681 Lots) shall constitute a quorum. The assent of a majority of those voting, in person or by proxy, shall be the act of the Association. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4614 b (3)*)
- c. Quorum and Majority at Subsequent Meetings. If the required quorum is not present at the first called meeting, subsequent meeting(s) may be called, each subject to the same notice requirements except that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The quorum required at any subsequent meeting shall be the presence, in person or by proxy, of the Eligible Owners of at least two-hundred-five (205) Lots (30 percent of 681 Lots). The assent of a majority of those voting, in person or by proxy, shall be the act of the Association. (Adopted: April 18, 2011 to conform to K.S.A. 58-4614 b (3))
- d. Owner Comments Regarding Agenda Items. Before voting, unit Owners must be given a reasonable opportunity to comment regarding any matter affecting the common interest community or the Association. (Adopted: April 18, 2011 to conform to K.S.A. 58-4611 e)

<u>Section 4. Requirements for Annual Meetings and Special Meetings Regarding Other Purposes.</u>

- a. <u>Notice</u>. At least fifteen (15) days before any such meeting of the Owners, notice of that meeting shall be given to each Owner by, or at the direction of, the Secretary or other person authorized to call the meeting. Any such notice shall specify the place, day, hour and purpose of the meeting. Delivery of such notice may be made by:
 - (1) hand delivery to each unit Owner;
 - (2) United States mail postage paid to the mailing address

of each Owner;

- (3) any commercially reasonable delivery service to the mailing address of each unit;
- (4) electronic means, if the unit Owner has given the Association an electronic address:
- (5) any combination of the above; or
- (6) any other method reasonably calculated to provide timely notice to the unit Owner.

The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting. (*Adopted: April 18*, 2011 to conform to K.S.A. 58-4618 b)

If the Association does not notify unit Owners of a special meeting within thirty (30) days after the requisite number or percentage of unit Owners request the secretary to do so, the requesting members may directly notify all the unit Owners of the meeting. (Adopted: April 18, 2011 to conform to K.S.A. 58-4611 b)

The minimum time to give notice required by this subsection may be reduced or waived for a meeting called to deal with an emergency. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4611 d*)

- b. Quorum and Majority at First-Called Meeting. The presence at the meeting, in person or by proxy, of the Eligible Owners of at least sixty-nine (69) Lots (10 percent of 681 Lots) shall constitute a quorum. The assent of a simple majority of Eligible Owners voting, in person or by proxy, shall be the act of the Association. (Adopted: September 18, 1989)
- c. Quorum and Majority at Subsequent Meetings. If such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. At any such subsequent meeting, the assent of a simple majority of Eligible Owners voting, in person or by proxy, shall be the act of the Association. (Adopted: September 18, 1989)
- d. Owner Comments Regarding Agenda Items. Before voting, unit Owners must be given a reasonable opportunity to comment regarding any matter affecting the common interest community or the Association. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4611 e*)
- <u>Section 5. Proxies.</u> At all meetings of Owners, each Eligible Owner may vote in person or by proxy. All proxies shall be in writing and must be duly filed directly with the Secretary of the

Association or through the Association Office and prior to the commencement of the meeting. (Adopted: September 18, 1989)

- a. Proxies may be filed by mail. But any mail proxy received by the Association office after the date of the meeting shall be declared invalid, marked "Received After Meeting Date" and left unopened. (Adopted: September 18, 1989)
- b. Votes allocated to a unit may be cast pursuant to a directed or undirected proxy duly executed by a unit Owner.
- c. A unit Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association.
- d. A proxy is void if it is not dated or purports to be revocable without notice.
- e. A proxy is valid only for the meeting at which it is cast and any recessed session of that meeting.
- f. A person, other than a member of the Board of Directors may not cast undirected proxies representing more than fifteen (15) percent of the votes in the Association. (Adopted: April 18, 2011 to conform to K.S.A. 58-4614 c)

Section 6. Procedures. Meetings of the Association must be conducted in accordance with the most recent edition of Roberts' Rules of Order Newly Revised. (Adopted: April 18, 2011 to conform to K.S.A. 58-4613 c)

ARTICLE 8 BOARD OF DIRECTORS

Section 1. General Rules

- a. <u>Number</u>. The affairs of this Association shall be managed by a Board of nine (9) Directors, each of whom shall be an Eligible Owner in Residence. (*Adopted: September 18, 1989*)
- b. <u>Term of Office</u>. At each annual meeting, the Eligible Owners shall elect three (3) Directors for a term of three (3) years. (*Adopted: September 18, 1989*)
- c. <u>Compensation</u>. No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his/her actual documented expenses incurred in the performance of his/her duties when said expenses have been approved by a majority vote of the Board of Directors. (Adopted: September 18, 1989)
- d. <u>Resignation</u>. Any director may resign by giving written notice to the Board during a meeting of the Board or at any other time by giving written notice to the President or

- the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time mutually acceptable. (*Adopted: September 18, 1989*)
- e. <u>Removal</u>. Any Director may be removed from the Board by a vote of the Eligible Owners present in person or by proxy at an annual meeting or at a special meeting duly called for that purpose, at which a quorum is present, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, but:
 - (1) the unit Owners may not consider whether to remove a member of the Board of Directors at a meeting of the unit Owners unless that subject was listed in the notice of the meeting, and:
 - (2) at any meeting at which a vote to remove a member of the Board of Directors is to be taken, the member being considered for removal must have a reasonable opportunity to speak before the vote. (Adopted: April 18, 2011 to conform to K.S.A. 58-4619 a (3) and b)
- f. Any Director who ceases to be an Owner shall be deemed to have resigned. (*Adopted: September 18, 1989*)
- g. Any Director who ceases to be an Eligible Owner shall be suspended automatically from the Board of Directors for no more than sixty (60) days, at which time that Director shall be deemed to have resigned if the Eligible Owner status of that Director has not been reinstated. (*Adopted: September 18, 1989*)
- h. <u>Vacancy</u>. A vacancy or vacancies on the Board of Directors shall be deemed to exist in the case of death, resignation or removal of any Director or upon a Director's refusal to serve. Any such vacancy shall be filled by a majority vote of the remaining Directors or by the sole remaining Director following the procedure set forth in Article 9 Section 2 r. Candidates shall be Eligible Owners in Residence. (*Adopted: April 18*, 2011 to conform to K.S.A. 58-4609 c (4) as interpreted by the Kansas Judicial Council)
- i. <u>Good faith.</u> Every contract or duty governed by the Act or these Bylaws imposes an obligation of good faith in its performance or enforcement. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4604 a*)
- Section 2. Nomination of Directors. Nominations for election to the Board of Directors shall be made by the Nominating Committee or from the floor at the 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 that are to be filled. Such nominations shall be made from the Eligible Owners in Residence. (Adopted: September 18, 1989)
- <u>Section 3. Election of Directors.</u> Election to the Board of Directors shall be at the annual meeting by secret ballot of the Eligible Owners or their proxies. Cumulative voting shall not

be permitted. The persons receiving the largest number of votes shall be elected. (Adopted: September 18, 1989)

- <u>Section 4. Meetings of Directors or Committees.</u> Except when the purpose of the meeting is to address an emergency, any official action of the Board of Directors or committees of the Association authorized to act for the Association shall occur at a meeting which meets the following requirements: (*Adopted: April 18, 2011 to conform to K.S.A. 58-4612 a*)
 - a. Owners shall be given at least five (5) days' written notice of said meeting. At a minimum, such notice may be accomplished by posting at Colony II Clubhouse, on the window next to the south door, an announcement of the date, time, location, and agenda for said meeting; (Adopted: April 18, 2011 to conform to K.S.A. 58-4612 e)
 - b. A copy of the written agenda for said meeting shall be made available to Owners at least five days prior to that meeting; if any materials are distributed to the Board of Directors before the meeting, the Board at the same time shall make copies of those materials reasonably available to unit Owners, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4612 f*)
 - c. A quorum of at least five (5) Directors shall be present at the time any vote is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Board members present is the act of the Board of Directors. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4613 b*)
 - d. Meetings of the Board of Directors and committees of the Association authorized to act for the Association must be open to the unit Owners except during executive sessions. The Board of Directors and those committees may hold an executive session only during a regular or special meeting of the Board or a committee. No final vote or action may be taken during an executive session. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4612 a*)
 - e. Eligible Owners shall be able to address agenda items at said meeting by prior arrangement or upon the recognition by the presiding officer. (Adopted: September 18, 1989) The Board shall provide a reasonable opportunity for unit Owners to comment regarding any matter affecting the common interest community and the Association. (Adopted: April 18, 2011 to conform to K.S.A. 58-4612 d)
- <u>Section 5. Voting.</u> The election of Board officers, the filling of a vacancy on the Board of Directors and the employment of a Manager shall be completed by secret ballot. Every other vote of the Board of Directors shall be by roll call. (*Adopted: September 18, 1989*)

The results of each secret ballot shall be recorded in the Minutes of the meeting so as to reflect only the action taken. Votes of individual Directors shall not be identified. (*Adopted: September 18, 1989*)

The results of each roll-call vote shall be recorded in the Minutes of the meeting so as to identify the name of each Director and the direction of his/her vote. (*Adopted: September 18, 1989*)

ARTICLE 9 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

<u>Section 1. Powers.</u> The Board of Directors shall have power:

a. to adopt and publish rules and regulations governing the use of the common area Common Facilities and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof; (Adopted: September 18, 1989)

b. to exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Kansas Corporation Code and not reserved to the Owners by the Articles, the Declaration or other provisions of these Bylaws. (Adopted: September 18, 1989)

c. to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; (Adopted: September 18, 1989)

d. to employ a manager, an independent contractor, or other employees as they deem necessary, and to prescribe their duties; (Adopted: April 18, 2011 to conform to K.S.A. 58-4610 a (4))

- e. to take or not to take enforcement action by exercising the Association's power to impose sanctions or commencing an action to determine for a violation of the Declaration, Bylaws, and rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The Board of Directors does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:
 - (1) The Association's legal position does not justify taking any or further enforcement action;
 - (2) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;
 - (3) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or
 - (4) it is not in the Association's best interests to pursue an enforcement action. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4608 b*)

- f. The Board of Directors' decision under subsection (e) not to pursue enforcement under one set of circumstances does not prevent the Board of Directors from taking enforcement action under another set of circumstances, but the Board of Directors may not be arbitrary or capricious in taking enforcement action. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4608 c*)
- g. to require that disputes between the Association and unit Owners or between two or more unit Owners regarding the common interest community be submitted to non-binding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding; (Adopted: April 18, 2011 to conform to K.S.A. 58-4608 a (3))

<u>Section 2. Duties.</u> It shall be the duty of the Board of Directors:

- a. to develop and approve the annual budget and to include a copy of the same with the written notice of the annual assessment; (Adopted: September 18, 1989)
 - (1) Notice of any meeting at which a budget will be considered must be given to unit Owners at least 10 days prior to the meeting date and, a copy of the proposal must be made available to each unit Owner who requests it. (Adopted: April 18, 2011 to conform to K.S.A. 58-4620 a)
 - (2) At any meeting at which a budget or budget amendment is considered, unit Owners must be given a reasonable opportunity to comment on the proposal prior to the Board taking action. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4620 a*)
- b. to cause a complete record to be kept of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting and to present such statement at any special meeting when such statement is requested in writing by Eligible Owners of one-hundred-seventy (170) Lots (25 percent of 681 Lots). (Adopted: September 18, 1989)
- c. to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed; to develop and approve written position descriptions for the same, listing the functions, duties, responsibilities and authority for each position; to review and re-approve the same annually; (Adopted: September 18, 1989)
- d. to fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; (Adopted: September 18, 1989)
- e. to assure that the Lot maintenance assessment amount of the annual assessment is fixed at a uniform rate for all Lots with like improvements. (Amended: November 4, 1998)
- f. to establish the due date for any special assessment; (Amended April 16, 1990)

- g. to send written notice of each assessment against each Lot to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; (Adopted: September 18, 1989)
- h. to cause all assessments to be collected in the manner set forth by the Declaration of Covenants, Conditions and Restrictions of the Four Colonies Homes Association. (Amended: November 4, 1998)
- i. to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. The Board of Directors for the issuance of such certificate may make a reasonable charge. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment; (Adopted: September 18, 1989)
- j. to procure and maintain adequate liability and hazard insurance on property owned by the Association; (Adopted: September 18, 1989)
- k. to cause all officers and employees of the Association having financial/fiscal responsibilities to be bonded; (Adopted: September 18, 1989)
- l. to cause the Common Area and Common Facilities to be maintained, including sanding of ice on and plowing of snow from the private streets, when such is consistent with weather forecasting predictions; (Adopted: September 18, 1989)
- m. to cause the exterior of dwellings, subject to assessment for exterior maintenance, to be maintained. The Board of Directors shall further cause adequate funds to be collected for the repair and replacement of all Lot maintenance items for which the Association is responsible and for which funds are collected. (Amended: November 4, 1998)
- n. to schedule and provide Lot maintenance in a reasoned, orderly and impartial manner; (Adopted: September 18, 1989)
- o. to assure continuity and consistency in the management of the Association the Board of Directors shall review the Operating Procedures, as needed, to assure compliance with governing documents, local, state, and federal laws. (Amended: November 4, 1998)
- p. to publish monthly a newsletter and to deliver the same without additional cost to all residential addresses; to include within each issue, printed subject to correction, a complete copy of the Minutes of all meetings of the Board of Directors which have occurred since the publication of the preceding issue, along with a complete copy of the financial statement presented at the last regular meeting; (Adopted: September 18, 1989)

Delivery of such newsletter may be accomplished by:

(1) hand delivery to each unit Owner;

- (2) United States mail postage paid to the mailing address of each unit;
- (3) any commercially reasonable delivery service to the mailing address of each unit;
- (4) electronic means, if the unit Owner has given the Association an electronic address:
- (5) any combination of the above; or
- (6) any other method reasonably calculated to provide the unit Owner with timely access to the contents of the newsletter.

Any good faith effort to deliver the newsletter by any of the above methods shall satisfy the delivery requriement. (*Adopted: April 18, 2011*)

- q. to comply at all times with the Articles, the Declaration and these Bylaws; (Adopted: September 18, 1989)
- r. in the event of the death, resignation, or other removal from office of a Director, to select and appoint a temporary Director who shall serve until the next annual meeting. At that time the Owners shall elect a replacement Director who shall serve for the remaining balance of the predecessor Director's term. (Adopted: April 18, 2011 to conform to K.S.A. 58-4609 c (4) as interpreted by the Kansas Judicial Council)
- s. to appoint annually the following committees: (Adopted: September 18, 1989)
 - (1) <u>Nominating Committee</u>. This committee shall be appointed prior to each annual meeting, and shall serve from the close of such meeting until the close of the next such meeting and shall consist of a chairperson, who shall be a member of the Board of Directors, and two or more Eligible Owners. (*Adopted: September 18, 1989*)
 - (2) <u>Architectural Control</u>. This committee shall consist of three (3) or more Eligible Owners. (*Adopted: September 18, 1989*)
 - (3) <u>Bylaws and Procedures.</u> This committee shall consist of three (3) or more Eligible Owners. (*Amended: April 16, 1990*)
 - (4) Other Committees. The Board of Directors may appoint annually such other committees as it deems appropriate. (Adopted: September 18, 1989)
- t. to exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized under, and be subject to the conflict of interest rules governing directors and officers under existing law. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4609 a*)

u. to promptly provide notice to the unit Owners of any legal proceedings in which the Association is a party other than proceedings involving enforcement of rules, covenants or declarations of restrictions, or to recover unpaid assessments or other sums due the Association; and (*Adopted: April 18, 2011 to conform to K.S.A. 58-4608 a (4)*)

v. to establish a reasonable method for unit Owners to communicate among themselves and with the Board of Directors concerning the Association; (Adopted: April 18, 2011 to conform to K.S.A. 58-4608 a (5))

Section 3. Limitations to Powers. The Board of Directors may not:

- a. amend the Declaration except as provided by law other than this act;
- b. amend the Bylaws;
- c. terminate the common interest community;
- d. elect members of the Board of Directors, but in the event of the death, resignation, or other removal from office of a Director, may select and appoint a temporary Director following the procedure set forth in Article 9 Section 2(r) above. (Adopted: April 18, 2011 to conform to K.S.A. 58-4609 c (4) as interpreted by the Kansas Judicial Council)
- e. determine the qualifications, powers, duties, or terms of office of the members of the Board of Directors. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4609 c*)
- f. meet in executive session except to:
 - (1) consult with the Association's attorney concerning legal matters;
 - (2) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
 - (3) discuss labor or personnel matters;
 - (4) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or
 - (5) prevent public knowledge of the matter to be discussed if the Board of Directors or committee determines that public knowledge would violate the privacy of any person. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4612 a (5)*)

g. use incidental or social gatherings of Board members or any other method to evade the open meeting requirements of these Bylaws. For purposes of this section, a gathering of Board of Directors at which the Board members do not conduct Association business is not a meeting of the Board of *Directors (Adopted: April 18, 2011 to conform to K.S.A. 58-4612 b)*

h. act by unanimous consent except to undertake ministerial actions or to implement actions previously taken at a meeting of the Board. (Adopted: April 18, 2011 to conform to K.S.A. 58-4612 i)

- i. adopt, amend, or repeal any rule, without first giving all unit Owners notice of:
 - (1) its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and
 - (2) the date on which the Board of Directors will act on the proposed rule or amendment after considering comments from unit Owners.

Following adoption, amendment, or repeal of a rule, the Board shall notify the unit Owners of its action and provide a copy of any new, amended, or repealed rule.

A rule regulating display of the flag of the United States must be consistent with federal law. In addition, the Association may not prohibit display on a unit or on a limited common element adjoining a unit of the flag of this state, or signs regarding candidates for public or Association office or ballot questions. The Association may adopt rules governing the time, place, size, number, and manner of those displays that are not inconsistent with K.S.A. 58-3820, and amendments thereto.

Unit Owners may peacefully assemble on the common elements to consider matters related to the common interest community, but the Association may adopt rules governing the time, place, and manner of those assemblies.

- j. Association rules that affect the use of or behavior in units that may be used for residential purposes, shall be adopted only to:
 - (1) implement a provision of the Declaration; or
 - (2) regulate any behavior in or occupancy of a unit, which violates the Declaration or adversely affects the use and enjoyment of other units or the common elements by other unit Owners.
- k. An Association's internal business operating procedures need not be adopted as rules.
- 1. Every rule must be reasonable. (*Adopted: April 18, 2011 to conform to K.S.A 58-4617*)

<u>Section 4. Challenges to Board Action.</u> Even if an action by the Board of Directors is not in compliance with this article it is valid unless set aside by a court. A challenge to the validity of an action of the Board of Directors for failure to comply with this article may not be

brought more than sixty (60) days after the minutes of the Board of Directors of the meeting at which the action was taken are approved or the record of that action is distributed to unit Owners, whichever is later. (Adopted: April 18, 2011 to conform to K.S.A. 58-4612 j)

ARTICLE 10 OFFICERS AND THEIR DUTIES

<u>Section 1. Enumeration of Officers.</u> The offices of this Association shall be a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be selected from among the members of the Board of Directors. By resolution, the Board may, from time to time, create other offices. (*Adopted: September 18, 1989*)

<u>Section 2. Election of Officers.</u> The election of officers shall be by secret ballot and shall take place at the first meeting of the Board following each annual meeting. The chairperson of the Nominating Committee shall chair such meeting and shall first ask for nominations for President. When a President has thus been selected, the President shall assume the chair and shall proceed with the election of the remaining officers. (*Adopted: September 18, 1989*)

<u>Section 3. Term of Office.</u> The Board shall elect the officers of this Association annually. (*Adopted: September 18, 1989*)

Section 4. Resignation and Removal. An officer may resign by giving written notice to the Board during a meeting of the Board or at any other time by giving written notice to the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time mutually acceptable. (*Adopted: September 18, 1989*)

Any officer may be removed from office with cause by a majority vote of the Board of Directors. (*Adopted: September 18, 1989*)

<u>Section 5. Vacancies.</u> A vacancy in any office shall be filled by a majority vote of the Board of Directors. The officer elected to fill such vacancy shall serve until the end of the next annual meeting. (*Adopted: September 18, 1989*)

<u>Section 6. Multiple Offices.</u> Only one office shall be held by a Director at any time. (*Adopted: September 18, 1989*)

Section 7. Duties. The duties of the officers are as follows: (Adopted: September 18, 1989)

<u>a. President.</u> 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 see that the Articles, the Declaration and these Bylaws are complied with at all times; shall sign all leases, mortgages, deeds, promissory notes and other written instruments and shall cosign checks as necessary. (*Adopted: September 18, 1989*)

<u>b. Vice-President.</u> The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, shall co-sign checks as necessary, and shall exercise and discharge such other duties as may be required of

him/her by the Board. (Adopted: September 18,1989)

- c. <u>Secretary</u>. The Secretary shall act in the place and stead of the President or Vice-President in the event of their absence, inability or refusal to act; shall cause the Minutes of all meetings and proceedings of the Board and of the Owners to be recorded and published; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Owners; shall cause appropriate current records to be kept, showing the members of the Association together with their addresses; shall co-sign checks as necessary; shall prepare, execute, certify, and record amendments to the Association's governing documents; and shall perform such other duties as required by the Board. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4610 a (5)*)
- d. <u>Treasurer</u>. The Treasurer shall cause all funds of the Association to be received and deposited into appropriate bank accounts and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all promissory notes of the Association; shall co-sign checks as necessary; shall cause proper books of account to be kept; shall cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; shall cause an annual budget to be prepared; and shall cause a current Financial Statement of the Association to be published at least quarterly. (*Adopted: September 18, 1989*)

ARTICLE 11 REDRESS OF GRIEVANCES

The Association, any unit Owner, or any other person subject to the Declaration or these Bylaws may bring an action to enforce a right granted or obligation imposed by the Declaration, or these Bylaws. The court may award reasonable attorney's fees and costs.

Parties to a dispute arising under the Declaration, or these Bylaws may agree to resolve the dispute by any form of binding or non-binding alternative dispute resolution, but any agreement to submit to any form of binding alternative dispute resolution must be in a record authenticated by the parties.

The remedies provided by this article shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4621*)

ARTICLE 12 INDEMNIFICATION

The Association shall indemnify any and every present or past Board member, officer or employee against expenses, judgments, decrees, fines, penalties or amounts paid in settlement in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, whether commenced on behalf of an individual or by or in the right of the Association to which such Board member, officer or employee is made a party by

reason of being or having been such Board member, officer or employee, provided a determination is made to the effect: (Adopted: September 18, 1989)

- a. that such Board member, officer or employee was not, and has not been adjudicated to be negligent or guilty of misconduct in the performance of his/her duty; (Adopted: September 18, 1989)
- b. that he/she acted in good faith in what he/she reasonably believed to be the best interest of such Association, and (*Adopted: September 18, 1989*)
- c. that his/her conduct was not unlawful. (Adopted: September 18, 1989)

Such indemnification shall not be deemed exclusive of any other rights to which such Board member, officer or employee may be entitled under these Bylaws of this Association, any agreement or any insurance purchased by this Association, or by vote of the Owners or otherwise. Such indemnification shall inure to the benefit of such person's heirs, executors and administrators. (Adopted: September 18, 1989)

ARTICLE 13 PRINCIPLES AND PRECEDENCE

The principles of law and equity, including the law of corporations and any other form of organization authorized by the law of this state, the law of real estate, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of these Bylaws and the Act except to the extent inconsistent therewith. If there is a conflict between that act and other law of this state, the Act prevails. (*Adopted: April 18, 2011 to conform to K.S.A. 58-4622*)

ARTICLE 14 AMENDMENTS

These Bylaws may be amended at an annual meeting or at a special meeting duly called for this purpose. (Adopted: September 18, 1989)

ARTICLE 15 CONSTRUCTION

The titles of the paragraphs and subparagraphs have been inserted as a matter of convenience and reference only, and shall not control or affect the meaning or construction of these Bylaws. (Adopted: September 18, 1989)

Use of the masculine gender shall be deemed also to refer to the feminine gender and neuter gender and the singular shall be deemed also to refer to the plural unless the context clearly requires otherwise. (*Amended: April 16, 1990*)

ARTICLE 16 EFFECTIVE DATE

These Bylaws, as herein amended, shall become effective upon adoption. (Amended: April 16, 1990)