

BYLAWS
OF
KENSINGTON MANOR HOMES ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Kensington Manor Homes Association, hereinafter referred to as the "Association". The corporation, 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 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 Register of Deeds for the county in which the new registered office is located. Meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions as set forth in the Declaration of Restrictions for Kensington Manor, as the same may from time to time be amended.

Section 2. "Association" shall mean and refer to Kensington Manor Homes Association, a Kansas not-for-profit corporation, its successors and assigns.

Section 3. "Owner" shall mean and refer to Indian Creek Estates, a Kansas partnership composed of Midway Enterprises, a Kansas partnership, HSA Services, Inc., and Nelson Development Co., Inc., together with any successor to all or substantially all of its business of developing the properties.

Section 4. "The Properties" shall mean and refer to all real property which becomes subject to the Declaration, together with such other real property as may from time to time be annexed thereto under the provisions of Article VII of the Declaration.

Section 5. "Common Properties" shall mean and refer to all open spaces, street islands and frontage on certain lots of Kensington Manor to be held in the name of the owner or its successor, the Association, and dedicated to the common use and enjoyment of all the lotowners and residents of the properties.

Section 6. "Dwelling" shall mean and refer to any portion of

a building situated upon the properties designed and intended for use and occupancy as a residence by a single family.

Section 7. "Lot" shall mean and refer to any separately owned parcel as may be shown by any recorded subdivision plat of the properties, with the exception of Common Properties as heretofore defined.

Section 8. "Lotowner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the properties. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation, unless such person or entity has acquired title pursuant to foreclosure or upon proceeding instead of foreclosure.

ARTICLE III

MEETING OF MEMBERS

Section 1. Members. Every owner of a lot which is subject to assessment under the Declaration or any Supplementary Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment, except as may be stated in these By-laws or in the Declaration, and further subject to any rules and regulations governing the use of common areas and facilities and other regulatory powers of the Association as defined in these By-laws, the Declaration and any Supplementary Declaration.

Section 2. Voting Rights. The Association shall have two classes of voting membership. Class A members shall be all lotowners, with the exception of the Owner (Indian Creek Estates, a Kansas partnership), and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot. The Class B member(s) shall be the Owner (Indian Creek Estates, a Kansas partnership) and shall be entitled to twenty-five votes for each lot owned.

Section 3. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors.

Section 5. Proxies. Members may vote only in person and not by proxy.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Term. The affairs of the Association shall be managed by a Board of five (5) Directors, who must be members in good standing of the Association.

Section 2. Composition and Term. Persons to serve as Directors until the first annual meeting shall be designated in the Articles of Incorporation. Thereafter, at the first annual meeting, the initial Board of Directors shall be appointed by the owner and shall serve until the expiration of their respective terms of office. Three (3) directors shall be appointed to terms of one (1) year and two (2) directors shall be appointed to terms of two (2) years. At the second annual meeting, and at each annual meeting thereafter, elections shall be held to fill the office of each director whose term has expired. Beginning with elections conducted at the second annual meeting, and at every annual meeting thereafter, directors shall be elected to terms of two (2) years, so that no more than three (3) director positions shall be open for election at any annual meeting.

Directors shall be appointed or elected from districts. The area comprising the Properties shall be divided into five (5) districts, with one (1) resident of each district elected or appointed as a director. All members in good standing of the Association shall be entitled to vote for each director position

which is open for election in the manner provided for herein.

The first designation of districts shall be made by the directors in office as designated by the Articles of Incorporation, prior to the appointment of the initial Board of Directors. From time to time, as additional areas are added to the properties or, as residences are built and occupied, or at such other times as are required to maintain an equitable representation on the Board of all Homes Association members, the districts within the properties shall be redefined by the Board of Directors so that the number of members of the Association in each district is substantially equal. The purpose of district representation is to give all members of the Association the opportunity to have a substantially equal voice in the affairs of the Association.

Section 3. Method of Election. Election shall be by secret written ballot at the annual meeting. The members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and the Declaration. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 4. Resignation and Removal. The unexcused absence of a Director from three consecutive regular meetings of the Board shall be deemed a resignation. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 5. Vacancies. In the event of death, resignation or

removal of any elected director, his successor shall be selected by the remaining elected directors and shall serve for the unexpired term of his predecessor. In the event of death, resignation or removal of any appointed or designated director, his successor shall be selected by appointment by the owner and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association by law, the Declaration or any Supplementary Declaration and

not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation or the Declaration.

- (b) Employ a manager, an independent contractor or such other employees as they may deem necessary, and to prescribe their duties.

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

- (a) Adopt and publish rules and regulations including fees, if any, governing the use of the common areas and facilities, and the personal conduct of the members and their guests thereon, and to include these in the permanent records of the Association;
- (b) Suspend the right to use the recreational facilities of any lotowner during any period in which such lotowner shall be in default for more than thirty (30) days after notice in the payment any assessment levied by the Association. Such right may also be suspended for members, after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Declaration or rules and regulations duly adopted and published by the Board of Directors;
- (c) Cause to be kept complete records of all its corporate affairs, including minutes of annual and special meetings of directors and members, and to make such records

- available for inspection by any member or his agent;
- (d) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;
 - (e) Issue upon demand by any member a certificate setting forth whether or not any assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
 - (f) Designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;
 - (g) Hold a hearing open to members of the Association and their agents on the proposed annual budget, to provide reasonable notice of same, and to approve the annual budget;
 - (h) Fix annual general and special assessments at an amount sufficient to meet the obligations imposed by the Declaration and all Supplementary Declarations;
 - (i) Annually set the date(s) assessments are due and to take such actions as are necessary with respect to the collection and enforcement of assessments, consistent with the Declaration;
 - (j) Send written notice of each assessment to every lotowner

subject thereto at least thirty (30) days in advance of the due date of the annual assessment or the first installment thereof;

- (k) Determine, in their discretion, whether the lien against any property for which assessments are not paid within thirty (30) days after due date should be foreclosed or whether or not an action at law should be brought against the lotowner personally obligated to pay the same;
- (l) Issue upon demand by any member a certificate setting forth whether or not any assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (m) Cause the Common Properties to be maintained;
- (n) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (o) Enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Declaration;
- (p) Appoint such committees as are prescribed or allowed by the Declaration and these Bylaws.

ARTICLE VII

OFFICERS

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, secretary and a treasurer. All officers shall at all times be members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall be conducted by the members of the Board of Directors from among their number and shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy

shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of president and secretary may not be held by the same person.

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

- (a) President: The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes and contracts as the Board may approve from time to time.
- (b) Vice President: The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board.
- (c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; maintain adequate and accurate records of the corporation, including minutes and resolutions; serve notice to members as required by these Bylaws or governing law; keep appropriate current records showing the members of the Association together with

their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall cause all monies of the Association to be deposited in appropriate accounts and disbursed therefrom as directed by resolution of the Board of Directors; shall co-sign any promissory notes and contracts; and shall keep proper books of account; and shall be the chief officer responsible for the preparation of an annual budget and a statement of income and expenditures to be presented to the Board of Directors and to the membership at its regular annual meetings.

ARTICLE VIII

COMMITTEES

Section 1. Architectural Control. Approval of plans, elevations, location and grade of residences and outbuildings located within the properties shall be solely the function of the Owner. Owner may, at its option, delegate all or any part of the function of architectural control (including, but not limited to application for fences, room additions, decks, patios and other exterior alterations, walls, posts or dog runs) to the Board of Directors. If such delegation is made, architectural control, to the extent delegated, shall be the function and obligation of the Board of Directors, and it may not be delegated to a separate architectural

control committee or similar group. Such delegation, to be effective, must be made in writing by a person authorized to act in such regard on behalf of the Owner.

Section 2. Other Committees. The Board shall appoint such other committees as it deems appropriate carrying out its purposes, not inconsistent with Section 1. of this Article.

ARTICLE IX

QUORUM AND NOTICE

Section 1. Quorum. The quorum for meetings where action by lotowners is required by the Declaration shall be the presence of members entitled to cast fifty (50) percent of all the votes of each class of membership. If the required quorum is not forthcoming at the first meeting called for such purpose, the meeting may be adjourned to another time no sooner than one week nor later than one month from that date. Should a quorum not be present at the first meeting called for any such purpose, the quorum requirement shall be reduced by half for the subsequent adjourned meeting; provided, however, in no event may the required quorum for a meeting called for such a purpose ever be lower than 25% of all the votes of each class of membership.

The quorum for all other meetings of members shall be the presence at meetings of members in person who are entitled to cast 25% of the votes of the members then outstanding.

Section 2. Notice. Notice required by the Declaration, the

Articles of Incorporation or these By-Laws shall be provided in writing by mailing a copy of such notice, first class postage prepaid, to the member at the address last appearing on the books of the Association, or supplied by such member for the purpose of notice.

Notice for meetings where action by lotowners is required shall be provided to lotowners at least thirty (30) days and not more than sixty (60) days prior to such meeting. Notice of all other meetings of members shall be provided to members at least fifteen (15) days before such meeting.

Notice of meetings shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

ARTICLE X

FISCAL YEAR

The fiscal year of the Association shall be the calendar year, and shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association in consideration of his services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which he may be a party by reason of being or having been a director or officer of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the director or officer or person may be entitled by law, or agreement or vote of the members or otherwise.

ARTICLE XII

AMENDMENT

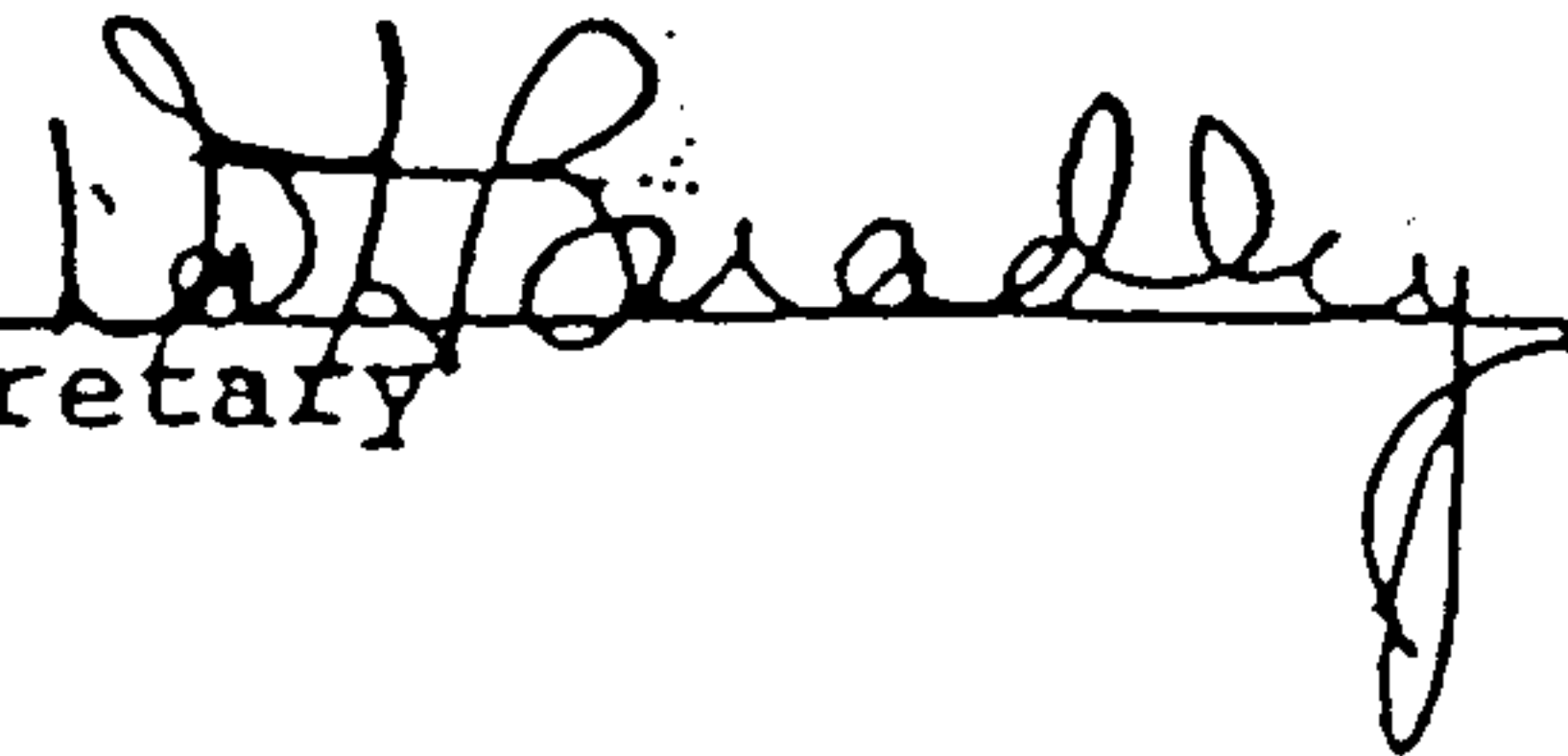
Section 1. The power to amend these By-Laws shall reside concurrently in the membership of the Association and in the Board of Directors. These By-Laws may be amended only by a majority vote of the members present at a regular meeting or special meeting of the Association, and by a majority vote of the Board of Directors at a regular or special meeting of the Board. Notice that the amendment of the By-Laws will be considered, and of the nature and the purpose of the proposed amendment, must be stated in the notice of the meeting of members. No such vote shall be taken unless a quorum is present.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the duly elected and acting secretary of Kensington Manor Homes Association, a Kansas non-profit corporation; and
- (2) That the foregoing By-Laws, comprising seventeen (17) pages, constitute the original By-Laws of said corporation, as duly adopted at the first meeting of the Board of Directors thereof duly held on the 1st day of August, 1984.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of the said corporation this 1 day of AUGUST, 1984.


Secretary