

BY-LAWS OF THE WEST RIDGE HOMEOWNERS ASSOCIATION, INC. (WREHOA)

ARTICLE I

Identification of WREHOA

The following By-Laws shall govern the operation of the West Ridge Homeowners Association, Inc., (hereinafter referred to as the "Association"), which was created and organized as a non-profit corporation in accordance with the laws of the State of Kansas.

ARTICLE II

Definitions

Section 1. The terms used in these covenants, conditions and restrictions shall be applicable to these by-laws and are the same as defined in the covenants of the WREHOA.

ARTICLE III

Memberships, Rules and Procedures; and Voting Rights

Section 1. Membership: Every owner of a lot which is subject to assessment shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. Voting Membership: The Association shall have but one class of voting membership which shall be all owners who are current in their assessments and who shall thereafter be entitled to one vote for each lot owned

Section 3. Annual Meetings: Annual meetings of the membership shall be held on the second Thursday of the month of July, at an hour designated by the Board of Directors. 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 voting members may be called at any time by the Board of Directors, or upon written request of the members who are entitled to vote, 1/4 of the votes of the entire membership.

Section 5. Notice of Meetings: Notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, at least 30 days before such meeting to each member entitled to vote thereat. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6. Quorum: The presence at a meeting of a majority of the members entitled to cast, or of proxies entitled to cast, votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Common Covenants, or these By-

Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have 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.

Section 7. 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. Every proxy shall be revocable at will and shall automatically cease upon conveyance by the member of his Lot.

Section 8. Annual or Special Meetings: At any annual or special meeting called for the purpose of amending, altering, supplementing, modifying or rescinding these By-Laws, the vote of the membership shall be as follows:

(a) If the proposed amendment, alteration, supplement, or modification has been approved by a 3/5 vote of the Board of Directors, then only a majority of the lots voted shall be required for adoption.

(b) If the proposed amendment, alteration, supplement, or modification has not been approved by a 3/5 vote of the Board of Directors, then a 3/4 vote of the total vote of the membership shall be required for adoption.

ARTICLE IV

Board of Directors

Section 1. Member: The affairs of this Association shall be managed by a Board of Directors, who shall be members of the Association.

Section 2. Term of Office: The term of office for the Board of Directors shall be for a term of two years. Board members may succeed themselves without limitation.

Section 3. Removal: Any director may be removed from the Board, with or without cause, by a majority of the lots voted in the Association. In the event of a death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation: No director shall receive compensation for any service they may render to the Association, however, a director who serves for their entire two year term shall receive a refund of the assessment they have paid during their completed two year term. Any director may be reimbursed for their actual expenses incurred in the performance of their duties. Expenses incurred must be submitted to the Treasurer using the approved expense form with all receipts attached.

Section 5. Action Taken w/out a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of

all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Board of Directors: The Board of Directors shall consist of the President, Vice-President, Secretary, Treasurer, and Director, whom also serve as the officers of the association.

Section 2. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at a special meeting or at the annual meeting, whichever is applicable. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee, if possible, shall be appointed and announced by the Board of Directors prior to the special meeting or at the annual meeting, whichever is applicable, of the members, to serve from the close of such first special meeting or annual meeting, whichever is applicable, until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine appropriate, but in no instance less than the number of vacancies that are to be filled. Such nominations may only be made from among voting members.

Section 3. Election: Election to the Board of Directors shall be by secret written ballot. However, where any member is unable to attend the election and does not desire to designate another proxy, such member may submit written voting instructions to the Secretary or his Designee. The Secretary is required by these by-laws to keep said instructions confidential. The Secretary will then vote for such member as instructed.

Where a member designates another as their proxy, the member designated, prior to the voting, will register with the Secretary the fact that they have such proxy.

At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws. The persons receiving the largest number of votes shall be elected. In the event that the person nominated for election to the Board of Directors is running unopposed, then the secretary shall cast one vote for the nominee.

ARTICLE VI

Meetings of Directors

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

resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of ordinary business. Subject to the provisions of Article III, Section 8 and Article X, every act or decision performed or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

Powers and Duties of Board of Directors

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

- (a) adopt and publish rules and regulations governing the use of the Common Properties, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also suspend after notice and hearing, for a period not to exceed sixty (60) days for serious infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Common Covenants;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary for the well being of all, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by 1/4 of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in Common Covenants, to:

(1) fix the amount of the annual assessment against each Lot in accordance with the provisions of Article XI of these By-Laws at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) enforce the collection of the assessment by whatever legal means necessary including the foreclosure of the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same. (Wherever the word or words assessment or annual assessment are used hereinabove, the provisions of the above paragraph shall be applicable to every special assessment validly levied, approved, where applicable, and assented to by the membership as hereinafter provided in Article XI.)

(d) 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. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Properties to be maintained;

(h) designate and appoint the Standing Committees for the Properties and to adhere to their requirements as set forth in the Common Covenants or these By-Laws.

ARTICLE VIII

Officers and Their Duties

Section 1. Elected Officers: The principal officers of the Association shall be: President, Vice President, Secretary, Treasurer, and Director, all of whom shall be members of the Board of Directors.

Section 2. Elections & Terms of Officers: The election of the officers of the Association designated in Section 1 of Article VIII shall occur at the annual meeting of the Board of Directors, those officers elected or reelected at the aforementioned annual meeting shall serve for a term of two years, unless he or she shall sooner resign, be removed, or otherwise disqualified to serve. The election of officers shall occur at each succeeding annual meeting of the Board of Directors. The election for the positions of President, Director, and Secretary shall take place on

even numbered years. The election for the positions of Vice-President and Treasurer shall take place on odd numbered years.

Section 3. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation & Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any latter 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 they replace.

Section 6. Duties: The duties of the officers shall be as follows:

President (a) 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 sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President (b) The Vice President shall act in the place and stead of the President in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; 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 of these By-Laws. The secretary shall also have authority to co-sign all checks and promissory notes.

Treasurer (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its first meeting of each fiscal year, and deliver a copy of each to the members, when requested.

Director (e) The director shall act in the place and stead of the President and/or Vice President in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board. The director shall be the liaison between the Board of Directors and each of the standing committees.

ARTICLE IX

Committees

Section 1. Appointment by the Board: The Board of Directors shall, from time to time, appoint such committees as are determined appropriate in order to carry out the purposes for which the committee was established.

Section 2. Four Standing Committees: There shall be four standing committees as follows:

(a) The Nominating Committee which shall perform the functions as outlined in Article V of these By-Laws.

(b) The Architectural Control Committee which shall advise the Board of Directors of all matters as outlined in the Common Covenants and perform all other functions as outlined in these By-Laws and the Common Covenants.

(c) The Recreation and Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the Association and shall, in addition, perform such other functions as outlined in Article X.

(d) The Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements.

Section 3. Power of Committees: With the exception of the Nominating Committee each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its power, duties and functions.

Section 4. Duties of Committees: It shall be the duty of each committee to receive complaints from members on any matter involving Association function, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matters presented.

ARTICLE X

Additions, Modifications, and Alterations to the Properties

Alterations, modifications and improvements to the Common Properties operated and maintained by the Association may be made as provided and in the manner set forth hereafter.

Section 1. Where a member desires a major addition, alteration, modification or improvement of the Common Properties, such member shall submit to the Architectural Control Committee and Recreation and Maintenance Committee jointly a detailed written proposal of the contemplated

major addition, alteration, modification or improvement, which proposal shall, as far as possible, include a financial statement, a statement as to the common benefit, and an estimate of the special assessment required to make such addition, alteration, modification, or improvement.

Upon submission of a proposal to the above mentioned committees, each committee will independently study the proposal and submit the proposal to the Board of Directors together with recommendations.

The Board of Directors shall also review the proposal as well as the committees' recommendations and vote whether to recommend approval or disapproval by the membership. The proposal shall then be submitted to the whole membership for adoption.

The proposal shall be considered approved by the membership as follows:

(a) when the proposed addition, alteration, modification, or improvement has been recommended for approval by a 3/5 vote of the Board of Directors, then only a 60% vote of the entire membership shall be necessary for adoption.

(b) where the proposed addition, alteration, modification, or improvement has not been recommended for approval by a 3/5 vote of the Board of Directors, then a 90% vote of the entire membership favoring adoption of the proposal shall be necessary for adoption.

Section 2. Board of Directors' Proposal: Where 3/5 of the Board of Directors proposes a major addition, alteration, modification, or improvement, said proposal may be submitted directly to the entire membership for adoption in accordance with Section 1 (a) above.

Section 3. Financing: Where the proposed major addition, alteration, modification, or improvement, will require financing through a special assessment of the members, said special assessment must be voted on and approved concurrent with the adoption of the proposal in accordance with Article XI of the By-Laws.

ARTICLE XI

Finances and Assessments

Section 1. Depositories: The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association, one of whom must be the Treasurer.

Section 2. Fiscal Year: The fiscal year for the Association shall begin on the first day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time

prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Assessments: There shall be two types of assessments as identified below:

(a) Bases and maximum of annual assessment beginning January 1, 2000, there shall be an annual assessment made for the purposes of the ordinary and normal maintenance, the Common Properties and the Association. Said annual assessment shall be not more than \$240.00 per Lot nor less than the actual figure necessary for the continued maintenance. The exact assessment for each year shall be fixed by the Board of Directors as provided herein. This maximum figure may only be increased by a 75% vote of the entire membership for an increase.

As more particularly set forth in Section 9 of the Common Covenants, the purchaser or owner of a Lot, by acceptance of the deed therefore, whether or not expressly provided therein, shall be obligated to pay to the Association annual and/or special assessments as properly made as hereinafter set forth which assessments are to be secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be considered delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum rate of interest then allowed in Kansas on judgments or at the rate of 10% per annum, whichever is less. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property; interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his Lot.

(b) Bases, special assessment.

Where major additions, alterations, modifications, or improvements to the Common Properties require funding by a special assessment of the members, said assessment for the projected costs of the major addition, alteration, modification or improvement shall be approved by the entire membership as follows:

At a special meeting or at the next annual meeting a quorum required for any action authorized shall be 75% of the voting membership. For the special assessment to be valid, at least 60% of the entire membership must vote approval of the special assessment. Where said meeting fails to meet the required number to constitute a quorum, then the Board of Directors shall, by mail or otherwise, poll the entire membership. For the special assessment then to be valid, at least 90% of the entire membership must vote approval. For the purposes of determination of the approval, this special assessment, the failure of a member to respond to said poll shall be deemed a negative vote.

ARTICLE XII

Amendments

Section 1. Regular or Special Meeting: These By-Laws may be amended, at a regular or special meeting of the members, as provided in Article III, Section 9, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law, and provided further that any matter stated herein to be or which is in fact governed by the Common Covenants applicable to the Properties may not be amended except as provided in such Common Covenants.

Section 2. Conflict between Articles of Incorporation and By-Laws: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Common Covenants applicable to the Properties referred to in Section 1 and these By-Laws, the Common Covenants shall control.

ARTICLE XIII

Indemnification

The Association shall indemnify every Director and every Officer, their heirs, executors and administrators, against all loss, cost and expense reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their being or having been a Director and Officer of the Association, including reasonable counsel fees to be approved by the Association, except as to matters wherein they shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director and Officer may be entitled.

ARTICLE XIV

Liability Survives Termination of Membership

The termination of the relationship established by the Common Covenants shall not relieve or release any such former owner or member from any liability or obligations incurred during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereof.

ARTICLE XV

Limitation of Liability

Section 1. Injury or damage by owners: Notwithstanding the duty of the Association to maintain and repair parts of the Common Properties and, where applicable, the recreation facilities, the Association shall not be liable for injury or damage caused by the latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

Section 2. Injury or damage by developer: Notwithstanding the acceptance of title to the Common Properties from the developer, it is expressly agreed and understood among the members that the Association does not thereby, accept any of the liabilities, obligations or responsibilities of the developer for any act or construction promised but not performed and the Association shall not be liable for any injury or damage caused by any act performed or not performed by the developer.

ARTICLE XVI

Rules and Regulations Relating to the Rights of Enjoyment of Common Property

Section 1. Use of Common Properties: Each member shall be entitled to the use of the Common Properties and facilities as provided by the Common Covenants, the Articles of Incorporation and these By-Laws so long as said enjoyment does not hinder or limit the rights of another member, his tenant, or guests and so long as said enjoyment does not damage or alter said Common Properties.

Section 2. Suspension of Rights of Violator: If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of any person thereof, as provided in Article VII, Section 1(a), they may, in their discretion, suspend the rights of any person for violation of such rules and regulations for a period not to exceed thirty (30) days.

Section 3. Delegation of Rights of Enjoyment to Family Members: Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside upon the Properties or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article XVI, Section 3, to the same extent as those of the member.

Section 4. Use of Common Properties for Limited Time (group): Where a member desires to use the Common Properties for a limited time and for a limited purpose in connection with a group in excess of twelve (12) nonmembers, said member shall receive the approval of either the Recreation and Maintenance Committee or a member of the Board of Directors for said use at least 24 hours in advance of the contemplated time of said use. Said approval shall, under ordinary circumstances, be forthcoming.

Section 5. Compliance: In the event of any violation by any lot owner of any provisions of these By-Laws or of the Common Covenants, the Association after approval by the 3/5 vote of the Board of Directors shall notify the lot owner in writing of his or her breach. The lot owner shall have ten (10) days in which to commence the curing of the breach, and shall diligently pursue the curing of said breach until completed to the satisfaction of the Board of Directors.

If the breach is not cured as set forth above, the Association shall be permitted to enter upon the lot and shall be authorized to cure the breach, whether the breach affects the individual lot or the Common Properties, and the cost thereof shall be added and become a part of the assessment to which such lot is subject. All costs shall be reasonable and shall not exceed the fees and charges common to the neighborhood.

In the alternative, the Association may elect to bring an action at law to recover its costs in curing the breach and may commence an action in equity to enforce the rules and regulations or to achieve such equitable relief, including injunctive relief, as may be necessary under the circumstances.

Section 6. Costs & Attorney's Fees: In any proceeding arising because of an alleged breach by a unit owner, the Association, if it prevails, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 7. No Waiver of Rights: The failure of the Association to enforce any right, provision, covenant or condition which may be granted by the Common Covenants or By-Laws shall not constitute a waiver of its right to enforce such right, provision, covenant or condition, in the future.

Section 8. Elections of Remedies: All rights granted to the Association or unit owner pursuant to the provisions, covenants or conditions of the Common Covenants and these By-Laws shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Common Covenants or By-Laws, or at law or in equity.

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