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STATE OF KANSAS
SEDGWICK COUNTY
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BYLAWS
OF
SPRINGCREEK HOMEOWNERS' ASSOCIATION

SEP 23 1987
NO. 9 08508

PAT KETTLER
REGISTER OF DEEDS

*Ed Reed
County*

Article I. Offices

Section 1. Offices. The registered office of the Association shall be as set forth in its Articles of Incorporation until changed by the directors as provided by law. The Association may also have such office(s) within or without the State of Kansas, as the Board of Directors may from time to time determine.

Article II. Definitions

Section 1. "Association" shall mean and refer to Springcreek Homeowners' Association, a nonprofit Kansas corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by or to be owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, but excluding those record owners having such interest merely as security for the performance of an obligation.

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Section 6. "Declarant" shall mean and refer to Springcreek, Inc., a Kansas corporation, and East Madison Investment Co., a Kansas corporation, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and amendments thereto applicable to Springcreek 2nd Addition, Derby, Sedgwick County, Kansas, recorded in the Office of the County Clerk, Sedgwick County, Kansas.

Section 8. "Member" shall mean Declarant and every person or entity who or which is a record Owner of a fee simple interest in any Lot, but not including any Owners other than Declarant who have sold their interest under executory contract. During such time as such contract is in force, the contract vendee shall be considered to be the Member of the Association.

Article III. Meeting of Members

Section 1. Place of Meeting. Meetings of Members may be held within or without the State of Kansas at such place as may be specified in the notice of meeting. If no place for any such meeting is specified in the notice thereof, the same shall be held at the registered office of the Association in the State of Kansas. Business transacted at all special meetings shall be confined to the objects stated in the notice; provided, that if all the Members of the Association entitled to vote at a meeting of Members shall waive notice and call, the Members may consider any matter pertaining to the affairs of the Association.

Section 2. Annual Meeting. An annual meeting of the Members of the Association shall be held for the purpose of electing directors and for the transaction of such other business as may properly come before a Members' meeting. The meeting shall

be held at such time and place as the Board of Directors shall fix in the call of the meeting; provided however, if such a call of a meeting has not been made on or before September 1st of any calendar year, then the annual meeting shall be held on the third Monday in September of such year at the registered office of the Association at 10:00 a.m. of said day.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of Members possessing one fourth (1/4) of the outstanding votes.

Section 4. Notice. Except as otherwise provided, written notice of each meeting of the Members, whether annual or special, stating the place, date and time thereof and, in case of a special meeting, the purpose, or purposes thereof, shall be delivered or mailed to each Member entitled to vote not less than ten nor more than thirty days prior to the meeting, unless, as to a particular matter, other or further notice is required by law, in which case such other or further notice shall be given. No notice to any Member is required, however, to announce an annual meeting held on the third Monday in September as provided in Section 2 of Article III.

Section 5. Waiver of Notice. Whenever written notice is required to be given to the Members, written waiver thereof signed by any Member entitled to such notice (whether, in the case of notice of a meeting, the written waiver thereof is signed before or after the meeting) shall be in all respects tantamount to notice of all items required to appear in any such notice. Attendance in person at any meeting shall for all purposes constitute waiver of notice thereof unless the Member attends the meeting for the sole purpose of objecting to the transaction of any business thereat because the meeting is not lawfully called or convened and unless the Member voices an objection at the

beginning of the meeting and does not otherwise participate therein.

Section 6. Quorum and Voting. A majority of the Association's Members, or Declarant alone, present in person or by written proxy, shall constitute a quorum. There shall be two (2) votes for each Lot. When more than one person holds a fee simple interest in any Lot, all such persons shall be Members, but this does not otherwise entitle Members to cast more than two (2) votes per Lot owned. Declarant shall be a Member until January 1, 1995, or until Declarant elects otherwise, whichever occurs first, whether Declarant owns any Lots or not. The two (2) votes per each Lot shall be exercised as the Owners of such Lot may determine among themselves. Notwithstanding the foregoing, Declarant shall be entitled to three times the total number of votes held by Members other than Declarant at any particular time.

Section 7. Proxies. At all meetings of Members, Members may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically lapse when a Member ceases to be record owner of any Lot.

Article IV. Board of Directors

Section 1. Election and Terms; Board Vacancies. The Board of Directors shall consist of any number of individuals determined by the Board of Directors. The Board of Directors has full authority to change the number of directorships at any time. Until the Board of Directors determines otherwise, the Board of Directors shall consist of one (1) individual. Directors shall be elected by the Members at their annual meeting. Election to the Board of Directors shall be by secret written ballot of the Members. The person(s) receiving the largest number

of votes shall be elected. Cumulative voting is not permitted. Each director so elected shall hold office until the next annual Members' meeting and until a successor is elected and qualified or until an earlier death, resignation, or removal. Vacancies on the Board of Directors, however occurring, including, but not limited to, vacancies arising from newly created directorships, may be filled only by a majority of the remaining directors, or by the sole remaining director, although less than a quorum; but if there is a complete vacancy upon the Board with no remaining director or if the directors do not fill a vacancy on the Board of Directors within sixty (60) days after such vacancy is created, the vacancies may be filled by the Members. Unless and until all Board vacancies are filled, any corporate action taken or authorized by a majority of the remaining directors at a meeting at which a quorum is present, or by the written consent of a majority of remaining directors who would constitute a quorum if acting at a meeting, shall be valid and binding upon the Association regardless of such unfilled vacancies.

Section 2. Meetings of Directors. The directors shall meet at such times and places, within and without the State of Kansas, as the Board may from time to time determine. Any regular or special meeting of the Board may be called by the president or by the secretary upon two (2) days' oral or written notice to all directors, which notice, however, may be waived in writing by any director. The annual meeting of the Board of Directors shall be held immediately following the Members' annual meeting, and at the same place; provided, however, that said meeting may be held on such other day and at such other hour and at such other place, any or all of them, as may be determined by written consent of all directors, or, in the absence of such consent, as may be designated in written notice sent by the president, or by the secretary, to each director at least two (2) days prior to the date specified in said notice.

Section 3. Quorum. A majority of the total number of the directors shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice; provided, however, that during any period in which there are one or more unfilled vacancies upon the Board, a majority of the remaining directors, although less than a majority of the total number of Board members, shall constitute a quorum for the transaction of business unless and until such vacancies are filled, if, but only if, such remaining directors constitute at least one-third (1/3) of the total number of directorships.

Section 4. Waiver of Notice. Whenever written notice is required to be given to the directors, written waiver thereof signed by a director (whether, in the case of notice of a meeting, the written waiver is signed before or after the meeting) shall be in all respects tantamount to notice of all items required to appear in any such notice. Attendance in person at any directors' meeting shall for all purposes constitute waiver of notice thereof unless the director attends the meeting for the sole purpose of objecting to the transaction of any business thereat because the meeting is not lawfully called or convened and unless the director voices an objection at the beginning of the meeting and does not otherwise participate therein.

Section 5. Compensation. No director shall receive compensation for any service rendered to the Association in the director's capacity as a director. However, any director shall be reimbursed for actual expenses incurred in the performance of duties as a director.

Section 6. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken by the Board of Directors without a meeting if

a majority of directors constituting a quorum consent in writing to the action. Any action so taken with the written consent of directors shall have the same force and effect as action taken at a meeting of the Board of Directors.

Article V. Powers and Duties of the Board of Directors

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

(a) Determine the total amount to be raised for operation and management of the Common Area by an annual assessment charge on Members for the next succeeding year. Except as otherwise provided, this sum so determined shall be divided by the total number of Lots, and each Lot shall be assessed an equal amount. Should the Board of Directors of the Association at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Common Area, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors may not levy an annual assessment charge on Declarant;

(b) In addition to the annual assessments authorized above, the directors may levy, in any assessment year, a special assessment applicable to the assessment 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 shall have the consent of Members possessing two-thirds (2/3) of the outstanding votes in attendance, who are voting in person or by proxy, at a Members' meeting duly called for such purpose. Notwithstanding the provisions of subsection (a) and (b) of Article V, Section

1, the total annual and special assessments levied by the Association under Article V, Section 1, subsections (a) and (b) will not exceed \$120.00 per Lot in any one year. The Board of Directors may not levy a special assessment on Declarant;

(c) In addition to the assessments authorized above, the directors may fine a Member who violates any provision of the Declaration. The Board of Directors may not levy a fine on Declarant;

(d) Any assessment or fine imposed pursuant to subsections (a), (b), or (c) of Article V, Section 1, becomes delinquent if not paid on or before thirty (30) days after imposed. When the assessment or fine is delinquent, such assessment or fine becomes a lien on any and all Lots owned by the delinquent Member. The Association may foreclose on the lien according to any available Kansas law;

(e) In its own name, take and prosecute all suits, legal, equitable, or otherwise, which may in their opinion be necessary or advisable for the collection of assessments;

(f) Assess Members interest at the rate of fifteen percent (15%) per annum or at the prime rate of The Fourth National Bank and Trust Company, Wichita, whichever is higher, on all assessments remaining unpaid thirty (30) days after due;

(g) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(h) Suspend a Member's voting rights and a Member's right to use of the Common Area and facilities during any period in which such Member shall be in default in the payment of any

assessment levied by the Association. After notice and a hearing, such rights may also be suspended for violation of the Declaration or for infraction of published rules and regulations;

(i) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(j) Declare the office of a person elected to the Board of Directors to be vacant in the event such person shall be absent from three consecutive regular meetings of the Board of Directors;

(k) Employ a manager, an independent contractor, and employees as they deem necessary, and to prescribe their duties;

(l) Annex additional real property, including additional Common Areas, to the property covered by the Association, and thereby subject the additional property to all of the terms, provisions and conditions of the Association. The Board may annex additional property by the execution of an instrument expressly stating an intention so to annex and describing such additional real property to be so annexed. The Board shall then file such instrument with the Sedgwick County, Kansas, Register of Deeds. Nothing contained herein requires the Board of Directors to subject any other property owned by Declarant to the terms, provisions and conditions of the Association; and

(m) Make a final decision in settlement of any dispute arising between Members that is binding upon all Members. If a dispute between Members arises, any Member may submit a written request to the Board of Directors for a hearing before the Board

of Directors or the Board of Directors may call for such a hearing on its own accord. The Board may finally resolve the dispute after such hearing and may take any action necessary to enforce its decision upon the Members.

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

- (a) Cause the Common Area to be maintained;
- (b) Cause any structures and improvements situated in the Common Area to be maintained;
- (c) 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 if so requested in writing to the Board by any Member not less than thirty (30) nor more than sixty (60) days prior to the annual Members' meeting;
- (d) Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (e) Send written notice of each assessment to Members subject thereto at least thirty days in advance of each assessment year;
- (f) Issue, or to cause an appropriate officer to issue, upon demand by any Member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (g) Procure and maintain adequate liability and hazard

insurance on property owned by the Association; and

(h) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

Article VI. Officers

Section 1. Officers and Election Thereof. The officers of the Association shall be a president, a secretary, a treasurer, and such other officers and assistant officers, including, but not limited to, one or more vice presidents, as the Board of Directors may from time to time deem necessary or advisable. Any number of offices may be held by the same person. All officers shall be elected by the Board of Directors at its annual meeting, and the Board of Directors shall also be empowered to fill all vacancies in office.

Section 2. Term; Removal; and Resignation. Each officer of the Association shall hold office until the next annual meeting of the Board of Directors and until a successor is elected and qualified or until an officer's earlier death, resignation, or removal; provided, however, that any officer elected by the Board of Directors may at any time, with or without cause, be removed by the affirmative vote of a majority of the total number of directors on the Board. Any officer may resign by written notice to the Board of Directors.

Section 3. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall sign all checks and promissory notes.

(b) Vice-Presidents. Vice-presidents shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required 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; 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.

(d) Treasurer. 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; and, if requested in writing by any Member not less than thirty (30) nor more than sixty (60) days prior to the annual Members' meeting, shall prepare an annual budget and a statement of income and expenditures to be represented to the Members at the regular annual Members' meeting, and deliver a copy of each to the Members.

(e) Duties of Officers May Be Delegated. If any officer of the Association is absent or unable to act or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate some or all of the functions, duties, powers or responsibilities of any officer to any other officer, or to any other agent or employee of the Association or other person, provided a majority of the Board consents.

Article VII. Books and Records

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to

inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the registered office of the Association, where copies may be purchased at reasonable cost.

Article VIII. Association Year

The year end of the Association for business, tax and assessment purposes shall be determined by the Board of Directors.

Article IX. Indemnification

The Association shall indemnify any person, his or her heirs, estate, and personal representative against all expense, liability, costs, judgments, and claims incurred or sustained by any such person because he or she was an officer or director of this Association to the maximum extent permitted by law.


Article X. Amendments

Section 1. These Bylaws may be amended by the Board of Directors or Members, by a vote of a majority of a quorum of Directors or Members present at a regular or special meeting of Directors or Members in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ADOPTED on this 22nd day of September, 1987.

SPRINGCREEK HOMEOWNERS ASSOCIATION


W. E. Lusk, Jr., President

ATTEST:

Secretary

STATE OF KANSAS

COUNTY OF SEDGWICK

Subscribed and sworn before me a notary of public, this 22nd
day of September, 1987, W. E. Lusk, Jr., President of Springcreek
Homeowners Association, for and on behalf of the Association.

Notary Public

My commission expires: _____

