

**BY-LAWS OF  
SOUTHWEST HOMEOWNER'S ASSOCIATION**

**ARTICLE I.**

General

1. Identity. These are the By-Laws of Southwest Homeowner's Association adopted for the purpose of administering Southwest Homeowner's Association, organized pursuant to Declaration of Southwest Homeowner's Association, as filed in the office of the Register of Deeds of Sedgwick County, Kansas, and to which Declaration these By-Laws are attached as Exhibit "A".

2. Office. The office of the Association shall be located at 6135 W. 38th St. South, Wichita, Kansas, or at such other address as shall be determined by the Directors.

3. Fiscal Year. The fiscal year of the Association shall be the calender year.

**ARTICLE II.**

Membership and Meetings

1. Voting Rights. Each owner of a real estate lot in Gray's Second Addition and Gray's Fourth Addition shall be a member of the Association, and shall be entitled to one vote at all members' meetings. In the event of multiple ownership of a lot, only that member designated by the remaining members owning said lot shall be entitled to cast the vote appurtenant to said lot. The designation of said voting member will be made in writing by the remaining members owning said lot at the time of the acquisition of the same. Such designation shall be kept by the Board of Directors and shall remain in full force and effect until revoked by said nonvoting members.

2. Annual Members' Meeting. The annual members' meeting shall be held at the office of the Association on the first Monday in April, in each year, beginning in 1988, at 5:30 o'clock p.m. of said day, for the purpose of electing directors and transacting any other business authorized by the members; provided, however, that should said day fall upon a legal holiday, then such meeting shall be held at the same time and place of the next succeeding day which is not a legal holiday.

3. Special Meetings. Special members' meetings shall be held whenever called by the President or the Vice President or by a majority of the board of directors, and must be called by such officers upon receipt of a written request from members

EXHIBIT "A"

entitled to cast one-third (1/3) of the votes of the entire membership.

4. Notice of Members' Meetings. Notice of all members' meetings, stating the time and place when the meeting is to be held and the purpose or purposes for which the meeting is called, shall be given by the Secretary, unless waived by all members in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed to him not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the Secretary and shall be sufficient proof thereof. Notice of any meeting may be waived, in writing, either before or after said meeting.

5. Quorum. A quorum shall consist of ten percent (10%) of the total number of entitled votes of the Association. The acts approved by a majority of the votes cast at which meeting a quorum exists shall constitute the acts of the members, except where approval by a greater number is required by the Declaration, these By-Laws, or applicable law. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

6. Proxy. Every person entitled to vote shall have the right to do so either in person or by proxy. Proxies may be made by any person entitled to vote, shall be valid only for the particular meeting designated therein, and must be filed with the Secretary before the established time of the meeting or any adjournment thereof.

7. Adjourned Meetings. If any meeting of members cannot be convened because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

8. Order of Business. The order of business at annual members' meetings, and insofar as practical at all other meetings, shall be:

- (a) Election of a Chairman of the meeting.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.

- (f) Reports of committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

### ARTICLE III.

#### Directors, Selection, Meetings, Fees

1. Number and Term of Directors. The business, property and affairs of this Association shall be managed by a Board of Directors composed of three (3) persons who shall be members of this Association. Each director shall hold office for the term for which he or she is designated or elected and until his or her successor is elected and qualified or until he is removed in the manner elsewhere herein provided.

2. Classification of Directors. The members of the Board of Directors shall be divided into three (3) classes of members. The first class shall hold office for a term of one (1) year; the second class shall hold office for a term of two (2) years; and the third class shall hold office for a term of three (3) years. The number of the Board of Directors of each class shall be as follows: First class - one (1); Second class - one (1); Third class - one (1). At all subsequent annual elections the director shall be elected by the members for a term of three (3) years to succeed the director whose term then expires; provided, that nothing herein shall be construed to prevent the election of a director to succeed him or herself.

3. Selection, Vacancies and Removal. The selection, removal and replacement of Directors shall be governed by the following:

(a) Directors shall be elected by written ballot (unless the use thereof is dispensed with by unanimous consent) and by plurality of the votes cast at the annual meeting of the members of the Association. Each member of the Association shall be entitled to vote for as many nominees as there are vacancies to be filled.

(b) Except as to vacancies created by the removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. Any vacancy in the Board of Directors so created shall be filled by the members of the Association at that same meeting.

4. Organizational Meeting. The organizational meeting of the newly elected Board of Directors shall be held within ten (10) days after their election at such place and time as shall be fixed by those Directors present at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone, or telegraph at least three (3) days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7. Waiver of Notice. Any Director may waive notice of a meeting, before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

8. Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration, these By-Laws, or applicable law.

9. Adjourned Meetings. If at any meeting of the Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and

concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

11. Presiding Officer. The presiding officer at all Directors' meetings shall be the Chairman of the Board, if such an officer has been elected, and if no Chairman of the Board has been elected, then the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

12. Directors' Fees. Directors' fees, if any, shall be determined by the members of the Association.

13. Temporary Directors. Three (3) temporary Directors shall be appointed by the Declarant of Southwest Homeowner's Association, to serve as such until the first annual meeting of members as herein provided for (or until such earlier or later time as the administration of the project is delivered to the Association, at which time there shall be a special meeting of members to elect permanent Directors as herein provided). Said temporary Directors shall be subject to and governed by the terms and provisions of these By-Laws.

#### ARTICLE IV

##### Directors' Powers and Duties

1. Exercise of Powers. All of the powers and duties vested in the Association by the Declaration and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by members when such approval is specifically required. Such powers and duties of the Directors shall include, but shall not be limited to, the following, subject, however, to the provisions of the Declaration, these By-Laws, and applicable law:

(a) To make and collect assessments against members to defray the common expenses of the Association.

(b) To use the proceeds of assessments in the exercise of its powers and duties.

(c) To maintain, repair, replace and operate the Association property.

(d) To purchase insurance upon the Association property and insurance for the protection of the Association and its members, as provided in the Declaration or as authorized by the members or by law.

(e) To lease property in the name of and for the Association.

(f) To reconstruct improvements after casualty and to further improve the property.

(g) To make and amend reasonable administrative rules and regulations respecting the use of the property in the Association and governing the details of the operation and use of the common areas and facilities.

(h) To enforce by legal means the provisions of the Declaration, these By-Laws, and rules and regulations for the use of the property of the Association.

(i) To contract for management of the Association and to delegate to said management all powers and duties of the Association except such as are specifically required by the Declaration, these By-Laws, or applicable law to have approval of the Board of Directors or of the members of the Association.

(j) To employ and discharge personnel to perform the services required for proper operation of the Association.

## ARTICLE V

### Officers

1. Executive Officers. The executive officers of the Association shall be a President, a Vice President, and a Secretary-Treasurer, each of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. The Board of Directors shall from time to time elect such other officers as the Board shall find required to manage the affairs of the Association and shall designate the powers and duties of such officers.

2. President. The President shall be chosen from among the Directors and shall be the chief executive officer of the Association. He shall have all the powers and duties which are usually vested in the office of President, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

3. Vice President. The Vice President shall, in the absence or disability of the President, exercise all of the powers and perform all the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

4. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all proceedings of the Directors and of the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association and shall perform all other duties as may be required by the Directors or by the President. He shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices.

5. Compensation. The compensation, if any, of all officers and employees of the Association shall be fixed by the Directors. Nothing herein shall preclude the Board of Directors from employing a Director as an employee of the Association, nor shall it preclude contracting with a Director for the management of the Association.

## ARTICLE VI.

### Fiscal Management

1. General Provisions. The provisions for fiscal management set forth in the Declaration shall be supplemented by the following provisions, provided, however, that in the event of a conflict between the provisions in the Declaration and the provisions herein, those in the Declaration shall control:

(a) Accounts. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(1) Current Expenses. This account shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance in this fund at the end of each year may, at the discretion of the Directors, be applied to reduce the assessments for current expense for the succeeding year.

(2) Reserve for Deferred Maintenance. This account shall include all funds for maintenance required because of damage, depreciation or obsolescence.

(b) Budget. The Board of Directors shall, on or before December 1 of each year, adopt a budget for each ensuing calendar year which shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounts and reserves according to good

accounting practices:

(1) Current Expense. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

(2) Reserve for Deferred Maintenance. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

(3) Reserve for Replacement. The amount for this item shall not exceed 110% of the budget for this account for the prior year.

(4) Proviso. Provided, however, that the amount for each budgeted item listed above may be increased over the foregoing limitations when approved by members entitled to cast more than 50% of the votes in the Association. Copies of the budget shall be transmitted to each member on or before December 1 next preceding the year for which the budget is made. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

(c) Assessments. The original annual assessment for the Southwest Homeowner's Association shall be collected at the time of closing from the original homeowner on the basis of two dollars (\$2.00) per month through December 31, 1990. Beginning January 1, 1991, all homeowners shall be assessed at the same rate, unless otherwise changed by the Association, which shall be due and payable no later than January 15, 1991, and each succeeding year until said Association is dissolved. Further, all assessments, if not paid by January 15 of each year, shall bear interest at the then legal rate until paid in full. Said interest shall begin to accrue on January 16th of each year.

In the event that the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations thereon for that year. Any account which does exceed such limitations shall be subject to the approval of the membership of the Association heretofore required. Beginning with the year 1991, if the Board of Directors proposes to change the assessment for any given year, copies of the proposed assessment shall be transmitted to each member on or before December 1 next preceding the year for which the assessment is made.

Further, any original investment in the common area made by Gray Construction, Inc. shall be repaid by the Association to Gray Construction, Inc. no later than December 1, 1992, but said original investment shall not exceed the sum of \$6,850.00, to include the costs of establishing this Association.



(d) Assessments for Emergencies. Assessments for common expenses of emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need therefor to the members. After such notice and upon approval in writing by members entitled to cast more than 50% of the votes in the Association, the assessment shall become effective and it shall be due thereafter in such manner as the Board of Directors may require.

(e) Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Directors.

(f) Audits and Statement of Operations. If at any time required by an affirmative vote of more than 50% of the votes in the Association, an audit of the accounts of the Association shall be made by a certified public accountant. A copy of a statement of financial operations of the Association shall be furnished to each member not later than March 15 of the year immediately following the end of the year for which the statement is made.

(g) Fidelity Bonds. The Board of Directors may require a fidelity bond from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on any such bonds shall be paid by the Association as a common expense.

(h) Payment of Expenses. The Board of Directors shall provide such expenditure controls as it shall deem necessary and advisable, including payment vouchers and purchase orders in such form as the Board may determine.

## ARTICLE VII.

### Parliamentary Rules

1. Parliamentary Procedure. Robert's Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the Declaration or these By-Laws.

ARTICLE VIII.

Amendment

1. Amendment. These By-Laws may be amended by the membership when approved by members entitled to cast more than 50% of the votes in the Association.

IN WITNESS WHEREOF, the undersigned has set its hand and seal this 6 day of July, 1987.

SOUTHWEST HOMEOWNER'S ASSOCIATION

By

  
Billy J. Gray, President