

BY-LAWS OF



As Amended 12/20/94

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BY-LAWS OF STONEGATE HOMEOWNERS ASSOCIATION

Article I

Name and Location

1. The name of this Association shall be Stonegate Homeowners Association. References made to the "Corporation", as identified in Article IV, shall be the same organization as referenced above.
2. The registered address shall be located at 13205 Benson, Overland Park, Kansas, 66213.
3. Other locations for the transaction of business shall be located at such places as the Board of Directors may from time to time determine.

Article II

Membership

1. All owners of homes in the subdivision now or hereafter platted as parts of Stonegate on the Park in Johnson County, Kansas, are automatically members of said Stonegate Homeowners Association. One member only of each lot in the subdivision shall be entitled to cast one vote.

Article III

Membership Meetings

1. The annual meeting of the membership shall be held on the third Tuesday of each January at a time and place selected by the Directors. Ten days prior to the annual meeting, the Secretary shall serve, personally or by mail, a written notice thereof, addressed to each member at his address as it appears on the records of the association. At such meeting the members shall elect Directors to serve until their successors shall be elected and qualified.
2. Special meetings of members other than those regulated by statute, may be called at any time by a majority of the Directors. The Board of Directors shall also in like manner, call a special meeting of members whenever so requested in writing by fifty-one (51%) percent of the members of the association. No business other than that specified in the call for the meeting shall be transacted at any meeting of the members.
3. Notice of the time, place and purpose of all annual and special meetings shall be mailed by the Secretary or Assistant Secretary to each member ten (10) days before the date thereof.

4. The President, or, in his absence, the Vice President, or designated board member, shall preside at all such meetings and be in attendance.
5. At every such meeting, one member of each lot shall be entitled to cast one vote on each item upon which votes are to be cast; except, that any member who as defined under Article VII to these By-Laws, is delinquent in paying any assessment, penalties, interest, or other charges, shall not be entitled to cast a vote on any item upon which votes are to be cast.
6. Voting on matters of association business shall be by written ballot, except when waived by a majority of those members present.
7. Proxy voting shall be allowed provided a duly signed proxy or copy thereof is filed with the Secretary before the vote occurs. No person shall be allowed to vote more than one proxy.
8. A quorum for the transaction of business at any annual or properly called special meeting shall consist of the greater of five (5%) percent of the membership or a majority of the Board of Directors with a minimum of one designated officer in attendance.
9. The rules contained in "Robert's Rules of Order - Revised", shall govern the Association and Board of Directors in all cases to which they are applicable, and in which they are consistent with these By-Laws, the special rules of order of the Association, or the Home Owners' Association Declaration.

Article IV

Directors

1. The business of the Association shall be managed by a board of either five (5) or seven (7) Directors, who shall be elected by the members. At all times the Board shall consist of an odd number of Directors. The current Board and their successors shall have full power to fix and vary the number of Directors within the limits herein prescribed.
2. The Directors shall be elected annually by the members at the annual meeting and shall hold office for two (2) years or until their successors are duly elected.
3. The Board can only be decreased from seven (7) Directors to five (5) or increased from five (5) Directors to seven (7) during elections held in odd numbered years.
4. At each annual meeting of the membership, when the Board consists of seven (7) Directors, four (4) Directors shall be elected in the odd numbered years and three (3) Directors elected in the even numbered years. When the Board consists of five (5)

Directors, two (2) Directors shall be elected in the odd numbered years and three (3) Directors elected in the even numbered years.

5. The Board of Directors shall have the control and handle the general management of the affairs and business of the Association. Such Directors shall in all cases act as a Board, regularly convened, by a majority, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation as they may deem proper, not inconsistent with these By-Laws and the Laws of the State of Kansas, the Articles of Incorporation of this corporation, and the aforementioned "Home Owners' Association Declaration" as may hereinafter be amended. The Directors shall have the duty and obligation to determine and cause to be determined and levied on or before July 1 of each calendar year, the annual assessment as authorized by Section 7, Method of Providing General and Special Funds, of the said Home Owners' Association Declaration dated May 31, 1991, and filed on July 16, 1991, in Volume 3390 beginning at Page 701, in the office of the Register of Deeds, Johnson County, Kansas and in accordance with Article VII of these By-Laws.
6. The annual meeting of the Board of Directors shall be held on the last Tuesday of each January at a time and place selected by the President.
7. Other than the annual meeting, the Board of Directors shall meet at such time and place as the President may designate.
8. Special meetings of the Board of Directors may be called by any three (3) members of the Board. Notice of all special meetings shall be mailed to each Director by the Secretary at least ten (10) days previous to the time fixed for said meeting, and said notice shall state the purpose thereof, provided however, that by unanimous consent of the Directors special meetings of the Board may be held without notice at any time and place.
9. A quorum for the transaction of business at any meeting of the Directors shall consist of fifty (50%) percent or more of the members of the Board, but a majority of those present at any meeting shall have the power to adjourn the meeting until a future date.
10. The Directors shall elect the officers of the Association from the members of the Board. Such election will be held at the Directors' annual meeting held each January. A Director may be removed at any time by a two-thirds (2/3) vote of the full Board of Directors or by written petition signed by a majority of the Association members.
11. Vacancies in the Board of Directors may be filled, by an Association member, for the unexpired terms by a vote of the remaining Directors at any regular or special Directors' meeting.

1. The officers of the Association shall be a president, a vice president, a treasurer, a secretary and shall be elected by and from the members of the Board of Directors in accordance with the provisions of this article. The Board of Directors, by resolution, may create additional offices all of whom shall be elected by the Board of Directors. No two (2) offices may be held by the same Director. All officers and agents of the Association, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the property and affairs of the Corporation as may be provided in the By-Laws, or, in the absence of such provision, as may be determined by resolution of the Board of Directors.
2. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors held each January in accordance with Article IV. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until their successor shall have been duly elected or until their death or until they shall resign or shall have been removed in the manner hereinafter provided.
3. Any officer or agent elected or appointed by the Board of Directors may be removed by majority vote of the Board of Directors whenever in its judgement the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
4. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by any member of the Board of Directors for the unexpired portion of the term created by such vacancy.
5. The President shall be the principal executive officer of the Association and shall supervise and control all of the business and affairs of the Association. The President shall:
 - a. preside at all meetings of the membership and of the Board of Directors;
 - b. sign, with the Secretary or Treasurer or any other proper officer authorized by the Board of Directors, any instruments which the Board of Directors have authorized to be executed except in cases where the signing and execution shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and,
 - c. in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and, shall perform such other duties as from time to time may be assigned to them by the President or by the Board of Directors.
7. The Board of Directors shall require the Treasurer to be bonded in an amount not less than the total Association operating budget for the preceding calendar year or such amount as may be deemed by the Board of Directors, such bond to be furnished at the expense of the Association. The Treasurer shall:
 - a. have charge and custody of and be responsible for all funds and securities of the Association;
 - b. notify, receive and give receipts for monies due and payable to the Association from any source whatsoever;
 - c. deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these By-Laws;
 - d. prepare a monthly cash flow statement and make available, for review, at all Board of Directors, Special, and Association meetings.
 - e. render to their successor in office all monies, records, papers and other properties belonging to the Association after an internal audit has been completed at the direction of the Board of Directors, and;
 - f. in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to them by the President or by the Board of Directors;
8. The Secretary shall:
 - a. keep the minutes of the membership and the Board of Directors meetings in one or more books provided for that purpose;
 - b. see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law;
 - c. be custodian of the records and the seal of the Association and affix the seal when required;

- d. keep a register of the legal mailing address of each member, which shall be furnished to the Secretary by all such members, and;
 - e. in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to them by the President or by the Board of Directors.
9. The officers shall receive compensation as may be determined by the Board of Directors and approved by the association membership.

Article VI

Seal

1. The seal of the Corporation shall be as follows:

Article VII

Assessments and Finance

1. The Board of Directors has the right to set the amount of the annual regular general assessment up to and including the maximum amount of \$220.00 per year per lot in the subdivision for the year 1994 with the option to increase at a rate of ten (10%) percent in any given year. If it is determined that such regular general assessment increases per year need to be in excess of the ten (10%) percent per year per lot, then such increased assessment shall be approved by an affirmative vote of two-thirds (2/3) of the lot owners present at a meeting of the membership, or, if the vote is by mail, by two-thirds (2/3) of the lot owners returning a ballot. Annual regular general assessments will be due and payable by March 1st of each calendar year for that calendar year. Annual regular general assessments will be delinquent if unpaid by March 15, and a penalty charge equal to ten (10%) percent per month of the unpaid assessment shall be added to the unpaid assessment. If said assessment plus penalty has not been paid by April 1st, the assessment, plus the penalty, plus interest on the total at a rate of 10 percent per annum, shall become a lien on the lot or lots against which such assessment has been made and the Board of Directors may file certificates of non-payment of assessments in the office of the Register of Deeds of Johnson County, Kansas. Said liens shall be enforceable as other liens upon real estate. For each certificate so filed, the Association will be entitled

to collect a fee for filing said certificate of said expense, which shall become a part of the lien. Annual regular general assessment statements shall be mailed not later than two weeks prior to the March 1st due date.

2. The funds of the Association shall be deposited in such bank or trust company as the Board of Directors shall designate and shall be withdrawn only upon checks signed by such persons authorized by the Board of Directors.
3. All bills payable, notes, checks, other negotiable instruments shall be signed by the President and countersigned by the Treasurer. No officer or agent of the Corporation either singly or jointly with others, shall have the power to make any bill payable, note, check, draft or warrant or other negotiable instrument, or endorse the same in the name of the Corporation.
4. The Board of Directors shall present the current year's income and expense statement and the upcoming year's budget to the attending members at the annual association meeting.

Article VIII **Limitation on Powers of the Board of Directors**

1. The Board of Directors shall at no time expend more money within any one year than the amount of the assessment collected within that year and any surplus funds carried over from a previous year.
2. The Board of Directors shall not enter into any contract for longer than one year without the approval of the members of the Association at an Association meeting, except that the Association's contract for trash disposal may be for a period not to exceed two years; any contract shall be accepted on a bid basis; any and all bids may be rejected.
3. The Board of Directors shall have the responsibility to call a special meeting of the Association for the purpose of levying an assessment other than the annual regular general assessment for emergency purposes. Said assessment shall not exceed \$10.00 per home owner for any one emergency nor raise the total annual assessment in excess of the amount stipulated in Article VII of these By-Laws or the Home Owners' Association Declaration.
4. All records of the Association shall be maintained by the Board of Directors, as specified within these By-Laws, and shall be made available to any member of the association upon request.

Article IX **Fiscal Year**

1. The fiscal year of the Association shall be the calendar year.

Article X

Amendments

1. Amendments to these By-Laws may be made by a two-thirds (2/3) vote of the Board of Directors at any annual Directors' meeting or at any special Directors' meeting when the proposed amendment has been set out in the notice of such meeting.