

**BY-LAWS
OF
OLATHE TRAILS HOMES ASSOCIATION, INC.**

ARTICLE I - NAME AND LOCATION

- 1.1 The name of the corporation is OLATHE TRAILS HOMES ASSOCIATION, INC., hereinafter referred to as the "association." The mailing address of the Association is P O Box 2952, Olathe , Kansas 66063. Meetings of members and directors may be held at places designated by the Board of Directors.

ARTICLE II - DEFINITIONS

- 2.1 Association: shall mean and refer to Olathe rails Homes Association, Inc. its successors and assigns.
- 2.2 Properties shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may be brought within the jurisdiction of the Association of the Association.
- 2.3 Common Area: shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.
- 2.4 Lot: shall mean and refer to every person or entity who holds membership in the Association.
- 2.5 Member: shall mean and refer to every person or entity who holds membership in the Association.
- 2.6 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, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- 2.7 Declaration: shall mean and refer to the Declaration of the Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds, Johnson County, Kansas.

ARTICLE III - MEMBERSHIP

- 3.1 Membership: Every person or entity who is a record owner in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be sole qualification for membership.
- 3.2 Suspension of Membership: During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use the recreational facilities of such member may be suspended by the Board until such assessments have been paid. Such rights of a member may also be suspended, after notice and hearing , for a period not to exceed 90 days, for violation of any of the rules and regulations established by the Board governing the use of the Common Area and facilities.

ARTICLE IV - PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

- 4.1 Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his right of enjoyment to the members of his family, his tenants, or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to the same extent as those of the member.
- 4.2 irrespective of the fact that the Declaration gives the Association the right to charge reasonable admission and the other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members for a period of 5 years from the date of the recordation of the Declaration, after this period, only upon the written approval of 2/3 of the entire membership.

ARTICLE V - BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

- 5.1 Number: The affairs of the Association shall be managed by a Board of Directors consisting of seven members.
- 5.2 Election: Directors shall be elected at Annual Meetings, as positions are vacated.
- 5.3 Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members fo the Board and shall serve for the unexpired term of his predecessor.
- 5.4 Compensation: No director shall receive compensation for the service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties; or for any job performed the Board of Directors has established as a contract labor job.
- 5.5 Action Taken Without A Meeting: The directors shall have the right to take any action in the absences of a meeting which they could take at a meeting by obtaining written or verbal approval of all the directors to the President. Any action shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI - MEETING OF DIRECTORS

- 6.1 Regular Meetings: Regular meetings of the Board of Directors shall be held at such place and time as may be fixed from time to time by the Board.
- 6.2 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 3 days notice to each director.
- 6.3 Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done 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 - NOMINATION AND ELECTION OF DIRECTORS

- 7.1 **Nomination:** Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.
- 7.2 **Elections:** Election to the Board shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, one vote for each lot. When more than one person holds interest in any Lot, all such persons shall be members, but must determine among themselves the vote for that Lot. In no event, shall more than one vote be cast with respect to any lot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the power to:

- 8.1 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;
- 8.2 Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration
- 8.3 Declare the office of a member of the Board to be vacant in the event such member shall be absent from 3 consecutive, regular meetings of the Board without such cause as the Board shall deem reasonable;
- 8.4 Employ (and contract with for such periods of time and on such terms as may be deemed appropriate) agents, including attorney-in-fact for placement of insurance, independent contractors, managers and employers, and to prescribe their duties and responsibilities;
- 8.5 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 meetings, when such statement is requested in writing by $\frac{1}{4}$ of the membership entitled to vote.
- 8.6 Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- 8.7 As more fully provided herein, and in the Declaration, to (1) fix the amount of the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period, as hereinafter provided, and (2) send written notice of each assessment to every owner subject thereto at least 30 days in advance to each annual assessment period;
- 8.8 Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not an 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.;
- 8.9 Procure and maintain such public liability insurance and fire and extended coverage hazard insurance on property owned by the Association in such sums as may be deemed appropriate, but at least with values of \$100,00/\$300,000 for public liability coverage and replacement value for such hazard coverage.
- 8.10 Cause all officers or employees having fiscal responsibility to be bonded, as it may seem appropriate;
- 8.11 Cause the Common Area to be maintained;
- 8.12 Perform all acts and things required of the Association to be done according to the Declaration

8.13 Perform all acts and do all things permitted and/or required by a Board of Directors of this type of corporation by the laws of the State of Kansas.

ARTICLE IX - COMMITTEES

- 9.1 The Board of Directors shall appoint committees such as the following: Nominating, Architectural Control, Recreational, Maintenance, Publicity, Audit, Insurance, or any other committee as deemed appropriate to carry out a purpose issued in writing by the Board of Directors.
- 9.2 It shall be the duty of each committee to receive complaints from members on any matters involving Association functions, 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 matter presented.

ARTICLE X - MEETINGS OF MEMBERS

- 10.1 **Annual Meetings:** Annual Meetings will be held once a year in the month of April on a date and time and at a location to be determined by the Board.
- 10.2 Special meetings of the members may be called at any time by the President of the Board, or upon written request of $\frac{1}{4}$ of the members entitled to vote.
- 10.3 **Notice of Meetings:** Written notice of each meeting of the members shall be given by or at the direction of, the secretary or persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meetings to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. 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.
- 10.4 **Quorum:** A quorum shall consist of the presence or proxies of $\frac{1}{10}$ of the members eligible to vote. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the 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.
- 10.5 **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 and shall automatically cease upon conveyance by the member of the Lot.

ARTICLE XI - OFFICERS AND THEIR DUTIES

- 11.1 **Enumeration of Officers:** The officers of this Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as the Board may from time to time create.
- 11.2 **Election of Officers:** The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.
- 11.3 **Term:** The Officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

- 11.4 **Special Appointments:** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office period, have such authority, and perform such duties as the Board may, from time to time, determine.
- 11.5 **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 date specified herein, and unless otherwise specified there, the acceptance of such resignation shall not be necessary to make it effective.
- 11.6 **Vacancies:** A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the office he replaces.
- 11.7 **Multiple Offices:** ~~The offices of secretary and treasurer may be held by the same person.~~ No person shall simultaneously hold more than one of any other offices except in the case of special offices created pursuant to this article.
- 11.8 **Duties:** The duties of the officers are as follows:
- 11.8.1 **President:** The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments.
- 11.8.2 **Vice-President:** The Vice-President shall act in the place and instead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him or by the Board.
- 11.8.3 **Secretary:** The secretary shall record the votes and keep the minutes of all meetings an proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring the 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.
- 11.8.4 **Treasurer:** The treasurer shall oversee the bookkeeper who will receive and deposit in appropriate bank accounts all moneys of the Association, keep proper books of account, cause an annual audit of the Association books at the completion of each fiscal year, prepare statement of income and expenditures to be presented to the membership at its annual meeting.

ARTICLE XII - ASSESSMENTS

- 12.1 **Creation of the Lien and Personal Obligation of Assessment:** By the Declaration, each member is deemed to covenant and agree to pay to the Association (1) annual assessment of charges, (2) special assessments for capital improvements, and (3) special assessments for the fire and extended coverage insurance carried by the Association on the dwelling and improvements on his lot. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.
- 12.2 **Purpose of Assessment:** The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement maintenance and insurance of the Properties services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

- 12.3 Basis and Maximum of Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be \$150 per Lot.
- 12.3.1 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year not more than 5% above the maximum annual assessment for the previous year without a vote of the membership.. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of 2/3 of the members who are voting in person or by proxy , at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.
- 12.3.2 After consideration of current maintenance costs and future needs of the Association, the Board may fix the annual assessment to any amount not in excess of the maximum.
- 12.4 Special Assessments for Capital Improvements: In addition to annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction of reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of 2/3 of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notices of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.
- 12.5 Uniform Rate: Both annual and special assessments and for capital improvements must be fixed at uniform rate for all Lots and may be collected on a monthly basis. Special assessments for insurance on individual Lots shall be based on uniform insurance rates for each type of construction and such special insurance shall be collected on a monthly basis in advance.
- 12.6 Quorum of Any Action Authorized Under Paragraphs 12.3 and 12.4: At the first meeting called, as provided, the presence at the meeting of members or of proxies entitled to cast 60% of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth herein, and the required quorum at any such subsequent meeting shall be ½ of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.
- 12.7 Date of Commencement of Annual Assessments: Due Dates: The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall upon demand at any time furnish a certificate in writing, signed by an Officer of the Association, setting forth whether the assessments on a specific Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- 12.8 Effects of Non-Payment of Assessments: Remedies of the Association: Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring a action of law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees for any such action shall be added to the amount of such

assessment. No Owner may waiver or otherwise escape liability for assessments provided herein by non-use of the Common Area, abandonment of his Lot, other cause.

12.9 Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not effect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale of transfer shall relieve such Lot from liability for any assessments thereafter becoming due of from the lien thereof.

12.10 Exempt Property: The following property subject to the Declaration shall be exempt from the assessments created therein (1) all properties dedicated to and accepted by the local public authority, (2) the Common Area.

ARTICLE XIII - BOOKS AND RECORDS

13.1 The books and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, Articles of Incorporation and By-Laws of the Association shall be available for inspection by any member at their request.

ARTICLE XIV - CORPORATE SEAL

14.1 The Association shall have a seal in a circular form having within its circumference the words: Olathe Trails Homes Association, Inc.

ARTICLE XV - AMENDMENTS

15.1 These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of the quorum of members present or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

15.2 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 Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI - MISCELLANEOUS

16.1 The fiscal year of the Association 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.