

THE CEDARS HOMES ASSOCIATION

BY-LAWS

**AMENDED, READOPTED AND RESTATED EFFECTIVE MARCH 6, 2017
(A Kansas Non-Profit Corporation)**

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ARTICLE I

NAME

1.1 NAME. The name of the organization shall be The Cedars Homes Association, Inc., hereinafter called "the Association."

1.2 PRINCIPAL OFFICE. The principle office for the transaction of the business of the Association shall hereby be designated by the current Board of Directors as the residence of one of the elected Directors located in Lenexa, Johnson County, Kansas. The designation shall be made within thirty (30) days of the annual meeting of the Members. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another.

1.3 OTHER OFFICES. Branch or subordinate offices may be established at any time by the Board of Directors at any place or places where the Association is qualified to do business.

ARTICLE II

NON-PROFIT ASSOCIATION

2.1 NON-PROFIT PURPOSE. The Association is irrevocably dedicated to, and operated exclusively for, non-profit purposes; no part of the income or assets of the Association shall be distributed to, nor inure to the benefit of, any of its Members, officers, directors, or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, nor intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Association shall not carry on any activities not permitted to be carried on: (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of any future United States Internal Revenue law); or (b) by a corporation, contributions to which are deductible under Section 170(c)(2).

ARTICLE III

PURPOSE

3.1 PURPOSE. The specific purposes for which the Association is organized is to operate as a homeowners association for the real estate known as The Cedars in Johnson County, Kansas, to maintain and administer the Common Properties and facilities, and to enforce all covenants, restrictions, easements, and charges contained in the Declaration of Restrictions for The Cedars (the "Declaration" which is attached to these By-Laws), to collect and disburse assessments and charges, and to engage in any lawful act or activity for which corporations may be organized under the general not-for-profit corporation laws of Kansas.

ARTICLE IV

DEFINITIONS AND TERMS

4.1 ASSOCIATION. Shall mean and refer to The Cedars Homes Association, Inc., a not-for-profit corporation organized and existing under the laws of the State of Kansas.

4.2 DECLARATION. Shall mean and refer to the covenants, conditions, and restrictions and all other provisions as set forth in the Declaration of Restrictions for The Cedars, as recorded in Misc. Book 2186 at page 101 in the Office of the Johnson County Register of Deeds pertaining to The Cedars Homes Association, Inc., and that which may be amended from time to time.

4.3 THE PROPERTIES. Shall mean and refer to:

Lots 280-473 of Plats 6 and 7 and Lots 118-120 of Plat 2 in the platted subdivision called The Cedars, in Johnson County, Kansas and any future lots that the existing membership may approve. Upon the recording of any instrument subjecting additional lands to said Declaration, the term "District" shall thereafter mean and refer to all land, which shall, from time to time, be subjected to the terms of that Declaration.

4.4 COMMON PROPERTIES. Shall mean and refer to all open spaces, street islands, and frontage on certain Lots of The Cedars to be held in the name of the Association and dedicated to or set aside for the use of the general membership, or which may, with appropriate consent, be commonly used and enjoyed by all Lot Owners and residents of the Properties.

4.5 LOT. Shall mean and refer to any separately owned parcel as may be shown by any recorded subdivision plat of the Properties, with the exception of Common Properties as heretofore defined.

4.6 DWELLING. Shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

4.7 LOT OWNER. Shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties. The foregoing does not include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation, unless such person or entity has acquired title pursuant to foreclosure or upon proceeding in lieu of foreclosure.

4.8 MEMBER. Shall mean and refer to every Lot Owner, which is subject to assessment. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment.

4.9 BOARD OF DIRECTORS. Shall mean and refer to the Board of Directors for the Cedars Homes Association, Inc.

ARTICLE V

MEMBERSHIP

5.1 MEMBERSHIP. Membership in the Association shall be composed of all the Lot Owners, which are subject to the Declaration and further defined in section 4.7.

Membership in the Association shall be limited to the Lot Owners within the boundaries of the Cedars subdivision (Plats 6 and 7 and Lots 118-120 of Plat 2), recorded in Books 47, 59, and 62 of Plats, at pages 15, 16, and 29, respectively, except that if the Association combines or unites with another or other associations similarly organized, operating on a similar basis and having jurisdiction of land in Johnson County, Kansas, members of such other associations may become Members of this Association.

5.2 MEMBER OBLIGATION. All present or future Members (as defined in Article IV), or any other person who might use the facilities of the Properties in any manner, are subject to the regulations set forth in the Declaration and these By-Laws. The mere acquisition of any of the Lots (hereinafter referred to in the singular as "Lot" or in the plural as "Lots") of the Properties or the mere act of occupancy of any of said Lots will signify that the Declaration and By-Laws are accepted, ratified, and will be strictly followed.

5.3 CLASSES. The Association shall have one class of Membership: Class A. Class A Members shall be Lot Owners. When more than one person holds an interest in any Lot, all such persons shall be Members.

5.4 MEMBERSHIP RIGHTS. Membership rights are predicated upon the payment of assessments and any contracted services by any person whose interest in the Properties is subject to assessment under these By-Laws. Voting rights and speaking rights at any Association meeting on all issues except those financial matters involving dues and assessments may be suspended automatically for any Member with an unpaid assessment or unpaid contracted services upon the ninetieth (90th) day after the due date for any unpaid assessment or contracted services. Notice shall be provided by the Board of Directors or its authorized representative via U.S. Mail to the Lot Owner prior to suspension of voting rights.

Other membership rights, including the use and enjoyment of any common area, or the right to attend social gatherings sponsored by the Association, may be suspended by action of the Board of Directors during the period when the assessments and payment of contracted services remain unpaid; but upon payment of such assessments and contracted services, his/her rights and privileges shall be automatically restored.

5.5 NOTIFICATION AND DUE DATE OF ASSESSMENTS. The assessment provided for by Section 5.4 hereof shall be submitted by mail to all Members on or about December 15 of each year. The payment of assessments, contracted services, and other fees will be due and payable with a due date no later than January 15 of the month and year following submission. After that date, the assessments will be deemed delinquent.

In the event of the failure of any Lot Owner to pay the assessment by the due date, the assessment shall become a lien on the real estate against which it is levied. Any assessment not paid within thirty (30) days after the due date may, at the discretion of the Board of Directors, be subject to a ten dollar (\$10.00) per month late fee to be added monthly to the outstanding balance from the due date. Contracted trash services may be suspended by the Board of Directors for a Lot Owner with any assessment that remains unpaid thirty (30) days after the due date. Notice shall be provided by the Board of Directors or its authorized representative via U.S. Mail prior to suspension of contracted trash services.

For any assessment that remains unpaid sixty (60) days after the due date, the Association will also be entitled to file a lien on the Lot with the Johnson County Recorder of Deeds to collect the delinquent assessment together with all costs, filing fees, release fees and reasonable attorney and collection fees. The Association may also bring an action at law against the Lot Owner personally obligated to pay the same or foreclose on the lien against the Lot. No Lot Owner may waive or otherwise escape liability of the assessment, interest, costs, and reasonable attorney and collection fees provided for herein by non-use of the Common Properties or abandonment of his/her Lot.

5.6 TRANSFER OF MEMBERSHIP FEE. Upon the acquisition of any Lot through purchase, sale, foreclosure, conveyance, or any other method transferring Lot ownership, a fifty dollar (\$50.00) fee shall be assessed for the transfer of Membership in the Association to the new Lot Owner.

5.7 QUALIFICATIONS. The Members shall be the sole judge of the qualifications of its membership and of the Members' rights to participate in the Associations meetings and proceedings.

ARTICLE VI

MEETINGS OF MEMBERS

6.1 PLACE OF MEETING. All annual meetings of the Association shall be held at a location in or near the subdivision of land in Johnson County known as The Cedars. Such location shall be determined by the Board of Directors of the Association, pursuant to authority hereinafter granted to the Board of Directors. All other meetings of Members shall be held at any place as designated either by the Board of Directors, pursuant to authority hereinafter granted to said Board of Directors, or by the written consent of all Members entitled to vote thereat, given either before the meeting and filed with the Secretary of the Association; provided, however, that no change in the time or place of the meeting shall be made within fifteen (15) days next before the day on which an election of Directors is to be held.

6.2 ANNUAL MEETINGS. The annual meeting of Members shall be held on the 1st Thursday in November of each year and at such time, at a location to be designated each year by the Board of Directors and notified to the Membership at least 30 days prior to the Meeting Date. At such meeting Directors shall be elected, reports of the affairs of the Association shall be considered, and any other business may be transacted which is within the power of the Members.

6.3 CERTIFICATION. At least fifteen (15) but no more than sixty (60) days before each annual meeting of the Members, the Association shall determine and certify the number of Lots occupied by Lot Owners, the number of Members eligible to vote, and the Director positions to be elected by the Members.

In the event that a Member has not paid his/her annual assessment within thirty-five (35) days after the assessment has been made, but he pays it prior to the annual meeting or any special meeting, then he will be entitled to vote upon certification by the Treasurer that he has paid his/her current assessment and is not delinquent for past assessment(s), contracted services, accrued interest, and other collection costs.

6.4 NOTICE. Written notice of each annual meeting shall be given to each Member entitled to vote, either orally, or by mail, or by other means of written communication, charges prepaid, addressed to such Member at his/her address appearing on the books of the Association or given by him to the Association for the purpose of notice. If a Member gives no address, notice shall be deemed to have been given if sent by mail or other means of written communication addressed to the place within the subdivision where the Member's land is situated, or if published at least once in some newspaper or newsletter of general circulation within the area where said Lot is located. All such notices shall be sent to each Member entitled thereto not less than fifteen (15) or more than sixty (60) days before each annual meeting, shall specify the place, the day and the hour of such meeting, and shall state such other matters, if any, as may be expressly required.

6.5 QUORUM. The presence of Members entitled to cast 15% of all votes shall constitute a quorum. Proxies can be counted and included as part of the required Membership present to constitute a quorum. If the required quorum is not present, another meeting or meetings may be called subject to the same notice requirements, and the required quorum at the subsequent meeting or meetings will be 15%. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.6 SPECIAL MEETING. Special meetings of the Members for any purpose or purposes whatsoever, may be called at any time by the President, or by a majority of the Board of Directors, or by a group of Members comprising not less than one-fifth (20%) of the membership of the Association, except in special cases where other express provision is made by statute, notice of such special meeting shall be given in the same manner as for annual meetings of Members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

6.7 SPECIAL ASSESSMENT MEETING. Written notice of any meeting called for the purpose of taking any action with respect to any special assessment for capital improvements under Article VI of the Declaration shall be sent to all Members not less than thirty (30) days but not more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members, in person or by proxy, entitled to cast fifty percent (50%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. If the required quorum is not present at any such subsequent meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the second subsequent meeting, or any subsequent meeting thereafter called for lack of a quorum, shall continue to be one-half of the required quorum at the initial meeting called for such purpose. In no event shall the required quorum fall below the presence of Members entitled to cast twenty-five percent (25%) of all the votes of each class of membership. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.8 VOTING. Approval of any action shall require the approval of a majority of all votes cast unless the Declarations specifically require otherwise. All voting shall be via a standing vote, except that a membership vote and the election of the Board of Directors shall be by ballots distributed to each household at least thirty (30) days prior to election, each of which shall state the name of the Member voting and in addition, if such ballot be cast by proxy, the name of the proxy shall be stated.

Each Class A Member shall be entitled to one (1) vote per Lot owned, provided, however, that when more than one person holds an interest in any Lot, the vote for such Lots shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Any capital improvement assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or at meetings called for that purpose as described in Section 6.7.

6.9 PROXIES. At all meetings of Members, each Member, otherwise entitled to vote, may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary and shall contain the Member's name, address, signature, and the name of the person or entity authorized by the proxy. Each proxy shall be revocable and shall automatically cease upon conveyance by the Member of his/her Lot. Unless a proxy specifies a shorter period, it shall be deemed valid for one year. A proxy can be revoked by a written notice filed with the Secretary. A proxy is void if it is not dated or purports to be revocable without notice.

6.10 ACTION WITHOUT MEETING. Any action which, under any provision of the Kansas General Corporation Code, may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such question at a meeting, and filed with the Secretary of the Association, or such other procedures followed as may be prescribed by statute.

6.11 ORDER OF BUSINESS. The order of business at the annual meeting or special meetings of the Members shall be as follows:

1. Roll Call;
2. Proof of Notice of Meeting;
3. Appointment of parliamentarian, at discretion of presiding officer;
4. Reading of minutes of preceding meeting;
5. Report of Officers;
6. Report of Inspectors of Election;
7. Announcement of Election of Directors (at the annual meeting);
8. Unfinished business;
9. New Business (Only agenda items placed with the Board of Directors five (5) days prior to meeting shall be discussed as new business; however, the Board of Directors may waive this requirement.); and
10. The budget shall be presented, discussed, and approved by the membership at the annual meeting.

ARTICLE VII

BOARD OF DIRECTORS

7.1 POWERS. The Association shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a homeowners association. Such Directors shall in all cases 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 Association, as they may deem proper, consistent with these By-Laws and the laws of the State of Kansas. Without prejudice to such general power, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers, to-wit:

- a) To levy assessments on the Lot Owners and to enforce payment of such assessments, all in accordance with the provisions of the Declaration;
- b) To select and remove all other officers, agents and employees of the Association, prescribe such powers and duties for them not inconsistent with law, with the Articles of Incorporation, or the By-Laws, fix their compensation, if any, and require security from them for faithful service. To enter into contracts for the purpose of the Association, however, no contract shall exceed the term of one (1) year and such contract shall be terminated for good cause by either party upon thirty (30) days written notice;
- c) To conduct, manage, and control the affairs and business of the Association, and to make such rules and regulations therefore not inconsistent with law, or with the Articles of Incorporation or the By-Laws, as they may deem best;
- d) To appoint an executive committee and other committees and to delegate to such committees any of the powers and authority of the Board of Directors in the management of the business and affairs of the Association. Any such committee shall be composed of two or more directors;

- e) To make, adopt, and publish rules and regulations governing the use of any properties owned by the Association and the personal conduct of any person thereon, and in the event of the breach of such rules and regulations the Board of Directors may, in their discretion, suspend the rights and privileges of any such person for violation of such rules and regulations for a period not exceeding sixty (60) days;
- f) To commence and maintain actions and suit to restrain and enjoin any breach or threatened breach of the Declaration and to enforce, by mandatory or prohibitive injunction or otherwise, all of the provisions hereof;
- g) To obtain and maintain, to the extent reasonably available, such forms, types, and amounts of insurance coverage as the Board of Directors, in its discretion, deems advisable. Types of insurance the Board of Directors may obtain shall include, but are not limited to:
 - i. Casualty insurance to cover damage or loss of improvements located upon real estate owned by the Association;
 - ii. Casualty insurance to cover such other risks as shall customarily be covered with respect to property similar in construction, location, and use;
 - iii. Public liability insurance;
 - iv. Workmen's compensation insurance to the extent necessary to comply with any applicable law;
 - v. A legal expense indemnity endorsement, or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment, or cause of action to which any such officer or Director shall have been made a party by reason of his/her services as such;
 - vi. Fidelity insurance against dishonest acts on the part of Directors, managers, trustees, employees, or volunteers; and such other policies of insurance, including blanket policies of insurance for the Common Properties, if authorized by applicable Kansas law and by the Board of Directors of the Association.
- h) To manage and control for its Members all public improvements upon and to the land in the Properties, or improvements on the Common Properties;
- i) To provide for contracted collection and disposal of rubbish and trash;
- j) To care for, spray, trim, protect and replant trees on all streets, on the Common Properties and any Lot, if necessary, to care for, protect and replant shrubbery, and re-sow grass for areas that are designated as parks, easements and that are for the welfare and benefit of the Members, to mow, care for, and maintain vacant or unimproved Lots, and to do any other things necessary or desirable in the judgment of the Board of Directors which would maintain the Properties neat in appearance and in good order;
- k) To acquire and own title to such real estate as may be reasonably necessary in order to carry out the purpose of the Association and promote the health, safety, welfare, and recreation of Lot Owners;
- l) To pay taxes on real estate and facilities owned by it; and
- m) To pay such taxes as may be assessed against the Common Properties.

7.2 NUMBER AND QUALIFICATIONS OF DIRECTORS. The authorized number of Directors of the Association shall be, in no event, less than five (5) nor shall the number be more than nine (9). The number of positions to be elected by ballot at the annual meeting shall be set by a majority vote of the current Board of Directors no earlier than sixty (60) days and not less than thirty (30) days prior to the annual meeting of each year. A Director shall be deemed qualified as such when he/she is determined to be a Member and has been elected as hereafter provided.

7.3 ELECTION AND TERM OF OFFICE. The Directors shall be elected at large by ballot or by unanimous acclamation from the membership at each annual meeting of Members, but if any such annual meetings is not held, or the Directors are not elected thereat, the Directors may be elected at a special meeting of Members held for that purpose as soon thereafter as conveniently may be scheduled. All Directors shall hold office for one year and until his/her respective successor is elected.

At each annual meeting of the Members, those persons receiving a majority of the votes cast or acclaimed unanimously shall be deemed elected as Director to succeed the persons whose terms are expiring. In the event of a tie vote, secret ballots submitted to Members attending the annual meeting for the sole purpose of breaking the tie will be counted, and the results announced.

7.4 VACANCIES. Vacancies in the Board of Directors may be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. A Director so elected shall hold office until his/her successor is elected at an annual or a special meeting of the Members.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members at any annual or special meeting of shareholders at which any Director or Directors fail to elect the full authorized number of Directors to be voted for at that meeting; or if any Director or Directors elected shall fail to qualify as such by not accepting the position of Director. The unexcused absence of a Director from three (3) consecutive regular meetings of the Board of Directors shall be deemed a resignation.

7.5 REMOVAL OF DIRECTORS. Any one or more of the Directors may be removed with cause, at any time, by vote of 2/3 of the Members of the Association, at any special meeting called for that purpose. The vote can be either by person or by valid proxy. At that time, a successor may be elected to fill the vacancy thus created immediately. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

7.6 DIRECTORS MEETING. Regular and Special meetings of the Board of Directors shall be held at any place which has been designated from time to time by consent of all Members of the Board of Directors.

A minimum of six (6) regular meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, orally or in writing, at least three (3) days prior to the day named for such meeting.

Notice of all such regular meetings of the Board of Directors to the membership is not required.

7.7 ORGANIZATIONAL MEETING. Within thirty (30) days following each annual meeting of the Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

7.8 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days personal notice to each Director, orally or in writing, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

7.9 WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, orally or in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

7.10 QUORUM. A majority of the elected number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation.

If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting. At any such subsequent meeting at which a quorum is present, any business that might have been transacted at the meeting, as originally called, may be transacted without additional notice.

7.11 ADJOURNMENT. A majority of the Directors may adjourn any Board of Directors' meeting to meet again at a stated day and hour or until the time fixed for the next regular meeting of the Board of Directors.

7.12 FEES AND COMPENSATION. Directors shall not receive any stated salary for their services as Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and from receiving compensation from such service.

7.13 FIDELITY BONDS. The Association may maintain adequate fidelity bonds for all officers, Directors, trustees and employees of the Association and for all other persons handling or responsible for funds of, or administered by, the Association. In the event the Association delegates some or all of the responsibility for the handling of funds to a management agent, such bonds shall be maintained for its officers, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required hereunder shall not be less than the estimated maximum funds in the custody of the Association or the management agent, if any, at any given time during the term of each bond. In no event, shall the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments of all Lots. Such bonds shall also meet the following requirements:

- a) The bonds shall name the Association as an obligee;
- b) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions;
- c) The premiums of all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.
- d) The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

ARTICLE VIII

OFFICERS

8.1 OFFICERS. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. An officer can be any Member of the Association who has paid his/her annual assessment. The Association may also have, at the discretion of the Board of Directors, one or more assistant Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 8.2. No one individual may maintain more than one officer position. No one shall be eligible to the office of President or Vice President who is not a Director, and such persons who cease to be a Director shall cease to hold office as President or Vice President as soon as his/her successor is elected and qualified.

The President and the Vice President will be selected from the population of the elected Board of Directors. The Secretary and Treasurer may be elected annually from outside the population of the elected Board of Directors.

8.2 ELECTION. The officers of the Association shall be chosen by the Board of Directors, and each shall hold his/her office until he shall resign or shall be removed or otherwise disqualified to serve, or his/her successor shall be elected and qualified.

8.3 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the Board of Directors at the time in office, at any regular or special meeting of the Board of Directors. The unexcused absence of any officer from three (3) consecutive meetings of the Board of Directors or special meetings held for the transaction of business shall be deemed a resignation.

8.4 VACANCIES. All vacancies in any office shall be filled by vote of the Board of Directors without undue delay, at its regular meeting, or at any meeting specifically called for that purpose.

8.5 PRESIDENT. The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the Association.

He/She shall preside at all meetings of the Members and at all meetings of the Board of Directors. He/She shall, or his/her designated alternate, shall represent the Association at all meetings of The Cedars Homes Association, Inc. He/She shall be an ex officio member of all standing committees, including the executive committee, if any.

The President shall see that the books, reports, statements, and certificates required by the statutes are properly kept, made, and filed according to law. He/She shall sign all notes, drafts, bills of exchange, warrants, or other orders for the payment of money duly drawn by the treasurer except approved budget items. He/She shall enforce these By-Laws and Restrictions and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

8.6 VICE-PRESIDENT. In the absence or disability of the President, the Vice-President shall perform all 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. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him/her respectively by the Board of Directors or these By-Laws.

8.7 SECRETARY. The Secretary shall keep, or cause to be kept, a book of minutes at the residence of the Secretary or such other place as the Board of Directors may order, of all meetings of Board of Directors and Members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board of Directors' meetings, the number of Members present at Members' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the residence of the Secretary and alphabetically arranged membership roster showing each Member's respective place of residence, his/her post-office address, the number of Lots owned, and the time at which each Member became Lot Owner, and keep such record, subject to the inspection of any Member of the Association, and permit such Member to make extracts from said books to the extent and as prescribed by law.

The Secretary shall present to the Board of Directors at its stated meetings all communications addressed to him/her officially by the President or any officer or Member of the Association.

The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board of Directors required by these By-Laws and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

8.8 TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the Properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. He/she shall also keep the seal of the Corporation in safe custody.

The Treasurer shall have the care and custody of and be responsible for all funds and securities of the Association, and deposit all such funds in the name of the Association in insured deposit accounts in such bank(s) and loan associations, or accounts of trust companies and mutual funds which invest 100% of all proceeds in U.S. Government Securities or cash equivalents of like safety, as the Board of Directors may designate. The Treasurer may also place items of importance of the Association in safe deposit vaults as the Board of Directors may designate.

Under the direction of the President or the Board of Directors, the Treasurer shall sign, make, and endorse, in the name of the Association, all checks, drafts, warrants, and orders for the payment of money, and pay out and dispose of these items.

The Treasurer shall exhibit at all reasonable times, his/her books and accounts to any Director or Member of the Association upon application at the office of the Association during reasonable business hours. He/She shall render a statement of condition of the finances of the Association at each regular meeting of the Board of Directors, and at such other times as shall be required, and a full financial report at the annual meeting of the Members.

The Treasurer shall ensure that Members are notified of their annual assessment as levied by the Board of Directors and, under direction of the Board of Directors, and that collection of the same is effected. The Treasurer shall ensure that such tax filings as are required be prepared and filed. At the end of the fiscal year, the Treasurer shall have the Association's books audited or comparable agreed upon procedures performed by a certified public accountant or internal audit procedures performed to ensure the financial integrity and accountability of the Association's activities. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these By-Laws.

8.9 BOND. The Treasurer shall be required by the Board of Directors to provide bond that shall be paid for by the Association. Such bond, if issued by other than a corporate surety, shall be renewed at least every three (3) years.

8.10 COMPENSATION. No officer shall receive a salary or compensation.

8.11 INDEMNIFICATION. The Association shall indemnify every Director or officer, his/her heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonable incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of his/her being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his/her duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost, and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as common expenses; provided, however, nothing contained in this Article shall be deemed to obligate the Association to indemnify any Member who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Lot Owner or a Lot covered thereby.

ARTICLE IX COMMITTEES

9.1 COMMITTEES. The committees of the Association will be set annually by the Board of Directors, which may include, but are not restricted to, the following:

- a) The Public Awareness/Education Committee
- b) The Membership Committee
- c) The Social Committee
- d) The Landscape Committee
- e) The Finance Committee
- f) The Newsletter Committee
- g) The Covenants/Architectural Review Committee
- h) The Civic Affairs Committee

9.2 THE PUBLIC AWARENESS/EDUCATION COMMITTEE. The committee shall maintain close contact and open dialogue with officials and elected representatives of the City of Lenexa, School District officials, and other public entities that affect directly or indirectly the livelihood of the Association and its Members.

9.3 THE MEMBERSHIP COMMITTEE. The committee shall conduct membership activities including; the maintenance of a current list of Members, development, maintenance, and distribution of welcoming materials to new Members, publish the Cedars Homes Association membership directory and select, maintain, train, and provide direction for the block captain system.

9.4 THE SOCIAL COMMITTEE. The committee shall be responsible for the development and implementation of social events and functions as directed by the Board of Directors. They shall maintain contact with local business willing to sponsor social events.

9.5 THE LANDSCAPE COMMITTEE. The committee shall be responsible for the maintenance and general appearance of The Cedars, including green spaces, entrances, and other areas.

9.6 THE FINANCE COMMITTEE. The committee shall be responsible for providing financial direction to the Board of Directors through budget preparation, developing a fiscal plan, recommending the level of annual assessments, providing for an annual audit and reviewing programs for cost effectiveness.

9.7 THE NEWSLETTER COMMITTEE. The committee is responsible for the development, organization, publishing, and distribution of monthly newsletters, special flyers, and information memorandums.

9.8 THE COVENANTS/ARCHITECTURAL REVIEW COMMITTEE. The committee shall perform those duties necessary to enforce the Declaration of Restriction. The committee shall also have the power to approve and control the outside construction on any Lots in the District.

9.9 THE CIVIC AFFAIRS COMMITTEE. The committee shall maintain close contact with the Lenexa Police Department, Public Works Department, and any other Lenexa city departments necessary to assist in monitoring traffic, sidewalk maintenance, etc.

ARTICLE X

BILLS, NOTES, ETC.

10.1 CONTROL OF DISBURSEMENTS. All bills payable, notes, checks, or other negotiable instruments of the Association shall be made in the name of the Association, and shall be signed by the Treasurer and countersigned by the President, unless otherwise provided for in another manner by resolution of the Board of Directors. No officer or agent of the Association shall individually have the power to make any bill payable, note check, draft, warrant, or other negotiable instrument, or enforce the same in the name of the Association.

No Director or officer either singly or in concert shall have the ability to incur any debt instrument or debt contract in the name of or in behalf of the Association.

The Association shall at no time expend more money within any one year than the total amount of the assessment for that particular year plus any surplus which it may have on hand from previous assessments; nor shall said Association enter into any contract whatsoever binding the assessment of any future year to pay for any such obligation, and no such contract shall be valid or enforceable against the Association, it being the intention that the assessment for each year shall be applied as far as practicable toward payment of the obligations of that year, and that the Association shall have no power to make a contract affecting the assessment of any future or subsequent year.

10.2 CONTINGENCY FUND. Each fiscal year, the remaining operating funds from the previous fiscal year, following an audit, shall be deposited in the Contingency Fund. This fund shall be set aside in a separate account for the sole purpose of offsetting long-range "major" repair needs of the Association's fences, sprinkler systems, brick entrance walls, lighting systems, etc. The amount established for this purpose shall be part of the budget and funds derived in support of such said fund shall be from the annual dues collected from every "Member" and/or excess funds accumulated from operating revenues in any fiscal year.

It shall be the responsibility of the Treasurer to insure that the amount approved and specified by the general membership is deposited in accordance with the above and is made part of all financial reports rendered. Withdrawals from this fund will be subject to the following conditions:

- a) A thorough review of a repair problem by the Board of Directors, Landscape Committee, and Finance Committee ascertaining the severity of the problem and an independent estimate of the repair and/or replacement costs involved.
- b) A recommendation by the Treasurer and the Finance Committee to the Board of Directors made in writing with supporting facts and related documentation.
- c) Contingent to the approval by the Board of Directors, authorization has been given to the President of the Association and Treasurer (jointly) to make appropriate withdrawal and dispense funds in accordance with the need identified. In the event this fund reaches a level felt satisfactory to meet the needs for which intended, the Board of Directors may elect to recommend to the general membership (subject to majority vote of the Members present at a general membership meeting) that fund contribution for that year not be considered necessary.

ARTICLE XI

MISCELLANEOUS

11.1 INSPECTION OF CORPORATE RECORDS. The books of account, and minutes of proceedings of the Members and the Board of Directors and of executive committees of Directors shall be open to inspection upon written demand of any Member at any reasonable time, and for a purpose reasonable related to his/her interests as a Member and shall be exhibited at any time when required by the demand at any Members' meeting of ten percent (10%) of the Members represented at the meeting. Such inspection may be made in person or by an agent or attorney and shall include the right to make abstracts. Demand of inspection other than at a Members' meeting shall be made in writing upon the President, Secretary, assistant Secretary, or general manager of the Association.

11.2 PERIODIC REPORTS. No reports to Members, other than the annual report, shall be required, but the Board of Directors may cause to be sent to the Members reports in such form at such times as may be deemed appropriate by the Board of Directors.

11.3 CONTRACTS, DEEDS, ETC. The Board of Directors, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount; provided, however, that any deeds or other instrument conveying land or any interest therein shall be executed on behalf of the Association by the President or Vice-President, if there be one, or by any agent or attorney so authorized under the letter of attorney or other written power which was executed on behalf of the Association by the President or Vice-President.

11.4 INSPECTION OF BY-LAWS. The Association shall keep at the residence of the Secretary the original or a copy of these By-Laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times.

ARTICLE XII

AMENDMENTS

12.1 POWER OF THE MEMBERS. New By-Laws, may be adopted or these By-Laws may be amended or repealed by the vote of a majority of the Members of the Association entitled to vote, or by the written assent of such Members, except as otherwise provided by law, or by the Articles of Incorporation.

12.2 POWER OF DIRECTORS. Subject to the right of Members as provided in Section 1 of this Article XII to adopt, amend or repeal By-Laws, By-Laws may be adopted, amended, or repealed by the Board of Directors at any regular or Special Meeting thereof, provided, however, that the time and place fixed by the By-Laws for the election of Directors shall not be changed within sixty (60) days next preceding the date on which such elections are held. Notice of any amendment of the By-Laws by the Board of Directors shall be given to each Member having voting rights thirty (30) days prior to such meetings. Actions relative to amendments to the By-Laws shall be forwarded, in writing, to each Member within thirty (30) days following the action.

ARTICLE XIII

FISCAL YEAR

13.1 FISCAL YEAR. The fiscal year of the Association shall be the calendar year and shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year.