

*YRly cost of non profit
payment to directors*

July 98

*7100
Budget
Really?*

*YRly
cost*

BYLAWS

OF

L.A. KNEBLER ADDITION HOMEOWNERS ASSOCIATION

A Corporation Not for Profit
Under the Laws of the State of Kansas

*established
not for profit
501*

ARTICLE 1. General Provisions

Section 1.1. Applicability. These are the Bylaws of the L.A. Knebler Addition Homeowners Association (the "Association"), a corporation not for profit under the laws of the State of Kansas. The Association has been organized for the purpose of managing and operating a residential development, which is identified by the name L.A. Knebler Addition to Augusta, Butler County, Kansas, and which is located upon certain land described in the Protective Covenants and Restrictions Covering L.A. Knebler Addition in Butler County, Kansas, recorded on the books of the Register of Deeds of Butler County, Kansas, on September 23, 1988 at Book 432, Page 418 and the Amended Protective Covenants and Restrictions Covering L.A. Knebler Addition in Butler County, Kansas, recorded on the books of the Register of Deeds of Butler County, Kansas, on _____, 2015 at Book _____, Page _____.

Section 1.2. Office. The office of the Association shall be at 22 E. Flanigan Drive, Augusta, Kansas. The fiscal year of the Association shall be the calendar year.

ARTICLE 2. Members' Meetings

Section 2.1. Time and Place. The annual members' meeting shall be held in Augusta, Kansas, during the month of October or November for the purpose of electing directors and transacting any other business authorized to be transacted by the members. The specific time and place of the meeting will be decided by the Board of Directors (the "Board").

Section 2.2. Special Meetings. Special members' meetings shall be held whenever called by the President or Vice-President or by a majority of the Board, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the vote of the entire membership.

Section 2.3. Notice. Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given by the President, Vice-President, or Secretary, unless waived 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 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 person giving the notice. Notice of meeting may be waived before or after meetings.

Section 2.4. Quorum. A quorum at members' meetings shall consist of persons present in person or by proxy entitled to cast twenty-five percent (25%) or more of the votes of the entire membership. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in Section 2.3. hereof.

Section 2.5. Voting. Every Owner, as that term is defined in the Covenants, as amended, upon becoming the Owner of a residence site, shall automatically become a Member of the Association. Ownership of a residence site in the L.A. Knebler Addition shall be the sole qualification for membership in the Association.

- a) Membership in the Association is mandatory for each owner of a Lot within the L.A. Knebler Addition. Each such owner of a Lot is hereinafter referred to as an "Owner".
- b) "Member" is defined as every person or entity who or which is a record Owner of a fee or undivided fee interest in any Lot. When more than one person holds an interest in any Lot, all such persons shall be Members.
- c) The word "Lot", as used herein, means a lot as set forth in the recorded plat of the L.A. Knebler Addition; provided that where property has been attached or detached from any Lot, the enlarged Lots and/or the diminished Lots shall be deemed to be a "Lot".
- d) Voting Rights. There shall be two (2) votes for each Lot for any matter subjected to a vote of the membership of the Association. The votes for a Lot shall be exercised as the Owners of such Lot may determine between or among themselves.

Section 2.6. Proxies; Written Consent. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting. Any action required, or permitted, to be taken at any meeting of members may be taken without a meeting, prior notice, or a vote, if a written consent, setting forth the action so taken, shall be signed by the members necessary to take such action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of such corporate action shall be given to those members who have not executed said written consent.

Section 2.7. Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- a) Calling of the roll and certifying of proxies;
- b) Proof of notice of meeting or waiver of notice;
- c) Reading and disposal of any unapproved minutes;

- d) Reports of officers;
- e) Reports of committees;
- f) Election of Directors (if necessary);
- g) Unfinished business;
- h) New business; and
- i) Adjournment.

ARTICLE 3. Directors

Section 3.1. Number. The affairs of the Association shall be managed by a board of six (6) directors. The initial Board shall be as designated under the Articles of Incorporation.

Section 3.2. Election. Election of Directors shall be conducted at the annual members' meeting, except as provided elsewhere herein. A nominating committee of three (3) members, one being the Board President, shall be appointed by the Board. At the annual meeting, the committee shall nominate the number of Directors as determined by the Board and these Bylaws. Additional nominations may be made from the floor. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes (the same number of votes as there are vacancies to be filled) all for one Director or for several Directors, i.e., there shall be cumulative voting for Directors.

- a) At the first annual meeting, Directors positions shall be elected as follows:

Director #1:	Person with the most votes	3 year term
Director #2:	Person with the second most votes	3 year term
Director #3:	Person with the third most votes	2 year term
Director #4:	Person with the fourth most votes	2 year term
Director #5:	Person with the fifth most votes	1 year term
Director #6:	Person with the sixth most votes	1 year term

- b) At subsequent elections, all Directors' terms shall be for three years.

Section 3.3. Vacancies. Except as to vacancies provided by removal of Directors by members, vacancies in the Board occurring between annual meetings of members shall be filled by the remaining Directors.

Section 3.4. Removal. Any Director may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special meeting of the members called for that purpose. Such a vacancy in the Board so created shall be filled by members of the Association at the same meeting.

Section 3.5. Term. The Directors' terms of service shall be as outlined in Section 3.2, or until his successor is duly elected and qualified, or until he is removed or resigns in the manner elsewhere provided.

Section 3.6. Organizational Meeting. An organization meeting of a newly elected Board may be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary, providing a quorum shall be present. Said meeting shall no be mandatory.

Section 3.7. Regular Meetings. Regular meetings of the Board 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 meeting 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. At a minimum, such meetings shall be held quarterly.

Section 3.8. Special Meetings. Special meetings of the Directors may be called by the President, or Secretary, and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Notice of the meeting shall be given personally, or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting.

Section 3.9. Waiver. 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. Actions by the Board may be taken without a meeting, if consented thereto in writing by all the Directors and such consent is filed with the minutes of the Board. A board meeting may be held by telephone conference, or similar means.

Section 3.10. Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board. 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, except where approval by a greater number of Directors is required by the Covenants, as amended, Articles of Incorporation, or these Bylaws. If, at any meeting of the Board, less than a quorum is 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. 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.

Section 3.11. Presiding Officer. The presiding officer of Directors' meetings shall be the Chairman of the Board, if such an officer has been elected, or if not, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

Section 3.12. Order of Business. The order of business at Directors' meetings shall be

- a) Calling of roll;
- b) Proof of due notice of meeting;
- c) Reading and disposal of any unapproved minutes;
- d) Reports of officers and committees;
- e) Election of officers (if necessary);
- f) Unfinished business;
- g) New business; and
- h) Adjournment.

Section 3.13. Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Articles or the Covenants, as amended, required to be exercised and done by the members of the Association. The Board shall have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the development; Provided, however, that such rules and regulations shall not be in conflict with the Articles or the Covenants, as amended. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:


- a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each Owner in the L.A. Knebler Addition for the common expenses.
- b) Make assessments against Owners in the L.A. Knebler Addition to defray the costs and expenses of the development, and establish the means and methods of collecting such assessments from the Owners.
- c) Provide for the operation, care, upkeep, mowing and maintenance of the Common Area and other areas common to the L.A. Knebler Addition (as defined in the Covenants, as amended).
- d) Collect the assessments against the Owners in the L.A. Knebler Addition, deposit the proceeds thereof in bank depositories designated by the Board and use the proceeds to carry out the administration of the Association.
- e) Make and amend the rules and regulations.
- f) Open bank accounts on behalf of the Association and designate the signatories thereon.

g) Obtain and carry insurance against casualties and liabilities, pay the premiums therefor, and adjust and settle any claims thereunder.

h) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, specifying the expenses of maintenance and repair of the common elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the Board for the general knowledge of Owners.

i) Do such others things and acts not inconsistent with the Articles or the Covenants, as amended, which the Board may be authorized to do by a resolution of the Association.

ARTICLE 4. Officers

Section 4.1. Officers. The executive officers of the Association shall be a President, who shall be a director, one (1) or more Vice-Presidents, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board and who may be removed by majority vote of the Directors at any meeting. Any person may hold two (2) or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board may, from time to time, elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation of officers shall be fixed by the Board. 

Section 4.2. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, 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.

Section 4.3. Vice-President. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform 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.

Section 4.4. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and 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 have custody of the seal of the Association, if any, and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 4.5. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall cause the books of the Association to be kept in accordance with good accounting practices and shall perform all other duties incident to the office of Treasurer.

Section 4.6. 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 time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 5. Operation of the Development

Section 5.1. Accounting. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications and as shall be appropriate, all of which expenditures shall be common expenses.

- a) "Current expenses," which 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, to additional improvements, or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessment for current expense for the succeeding year.
- b) "Reserve for deferred maintenance," which shall include funds for maintenance items which occur less frequently than annually.
- c) "Reserve for replacement," which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence.
- d) "Additional improvements," which shall include the funds to be used for capital expenditures for additional improvements or additional personal property which will be part of the common areas.

Section 5.2. Budget. The Board, at least sixty (60) days before the beginning of each fiscal year, shall adopt a budget for the next fiscal year, which shall include the estimated funds required to defray common expenses and to provide funds for the accounts listed in Section 5.1 of these Bylaws. Said budget, in a reasonably itemized form, shall be sent to each Owner not less than thirty (30) days before the beginning of each fiscal year.

Section 5.3. Assessments. The Board shall have the power and authority to determine the amount of the annual assessments, except that if the assessments for a year will exceed the assessments of the previous year by more than fifteen percent (15%), such additional assessment must be approved by an affirmative vote of two-thirds (2/3) of the votes of the Members in attendance, who are voting in person or by proxy, at a meeting duly called for such purpose.

After an assessment has been levied, it shall be the duty and obligation of the Board and the officers of the Association to take the necessary steps to enforce the collection of such assessments and foreclose the lien of such assessments, as set out in the Covenants, as amended.

Section 5.4. 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. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

ARTICLE 6. No Liability

Section 6.1. Liability of the Board of Directors, Officers, Owners and Association. The officers and directors shall not be liable to the Association or any Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the officers or the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Articles or the Covenants, as amended, except to the extent that such liability is satisfied by directors' and officers' liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Owner arising out of any contract made by the officers or Board, or out of the indemnification of the officers or directors, or for damages as a result of injuries arising in connection with the common areas solely by virtue of his ownership of a lot or for liabilities incurred by the Association, shall be limited to the total liability multiplied by a fraction representing his proportionate ownership of total lots in the development. Every agreement made by the officers, the Board, or any managing agent on behalf of the Association shall, if obtainable, provide that the officers, the directors, or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Owners) and that each Owner's liability thereunder shall be limited to the total liability thereunder multiplied by a fraction representing his proportionate ownership of total lots in the development. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was an officer or director of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association.

Section 6.2. Services. The Association shall not be liable for any failure of water supply or other services; or for injury or damage to persons or property caused by the elements or by the owner of any lot, or any other persons. The Association shall not be liable to any owner for loss or damage by theft or otherwise, of articles which may be stored upon any of the common areas. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or from any action taken by the Association to comply with any law, ordinance, or with the order or directive of any governmental authority.

Cost
Liability
In Board

ARTICLE 7. Parliamentary Rules

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Covenants, as amended, the Articles of Incorporation, or these Bylaws.

ARTICLE 8. Amendment

These Bylaws may be amended in the following manner:

Section 8.1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 8.2. Resolution. A resolution adopting a proposed amendment to these Bylaws may be proposed by either the Board or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at, or prior to, the meeting. Except as elsewhere provided, such approvals must be by at least seventy percent (70%) of the entire membership of the Board and by not less than fifty-one percent (51%) of the votes of the entire membership of the Association.

Section 8.3. No Discrimination. No amendment shall discriminate against any owner or against any residence site, or against any class or against any group of residence sites, unless the owners so affected shall consent. No amendment shall change any residence site, nor the share in the common areas appurtenant to it, nor increase the owner's share of the common expenses, nor change the voting rights of members, unless the record owner of the residence site concerned and all record owners of liens thereon shall join in the execution of the amendment.

Section 8.4. Effective. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective on the date certified.

Section 8.5. Conflict. In the case of any conflict between the Covenants, as amended, and these Bylaws, the Covenants, as amended, shall control. In the event of any conflict between the Articles and these Bylaws, the Articles shall control.

The foregoing were adopted as the Bylaws of this Association, a corporation not for profit under the laws of the State of Kansas, by the Directors on the _____ day of October, 2015.

H.D. Hodge

Mary Nusz

Tom Reiling

Rick Heise

Jane Heise

Shirley Stewart