

"PROPOSED"
AT MAY 6, 1995 ANNUAL MEETING

LAKE CHAPARRAL PROPERTY OWNERS ASSOCIATION

AMENDED AND RESTATED BYLAWS

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to the Lake Chaparral Property Owners Association, a non-profit corporation organized and existing under the laws of the State of Kansas.

Section 2. "The Properties" shall mean and refer to the properties legally described in the Restrictive Covenants and Conditions dated October 31, 1973 and filed of record April 15, 1974, in Linn County, Kansas, in Book No. 22, Page 577, and as amended and restated on January 24, 1987 and filed of record April 21, 1987, in Linn County, Kansas, in Book No. 35, Page 110, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by lawful annexation.

Section 3. "Common Properties" shall mean and refer to lakes, parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within the Properties.

ARTICLE II
LOCATION

Section 1. The principal office of the Association shall be located at Lake Chaparral, Mound City, Kansas.

ARTICLE III
MEMBERSHIP

Section 1. Every person or entity who (a) is a Purchaser, as defined in the Articles of Incorporation, of any Lot, which is subject by the restrictive covenants of record to assessment by the Association or (b) is an Owner of any Lot which is subject by covenants of record to assessment by the Association, shall be a Member of the Association, provided

that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of and becomes a lien upon the property against which such assessments are made as provided by the Restrictive Covenants and Conditions to which the Properties are subject.

Section 3. The membership rights of any person whose interest in the Properties is subject to assessments, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section I, hereof, they may in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV VOTING RIGHTS

Section 1. Each member of the Association shall be entitled to one vote for each Lot in which they hold the interests required for membership by Article III, Section 1, hereof. When more than one person holds such interest or interests in any Lot, all such persons may be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. Members can vote only if in good standing as specified in the Covenants and these Bylaws. No member will be allowed to vote in any election if he or she is not current in the payment of all assessments levied by the Association.

ARTICLE V PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by deed of dedication and the Restrictive Covenants and Conditions applicable to the Properties. It is the duty of every member to obey

all rules and regulations as outlined in the Bylaws, Covenants, and the published rules and regulations issued by the Board of Directors. Members will accept all responsibility for their guests' conduct whether on the members' property or in the common areas or other properties. Any member may delegate his or her rights of enjoyment in the common properties and facilities to the members of his immediate family.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, of these Bylaws to the same extent as those of the member.

ARTICLE VI PURPOSE

Section 1. The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

To promote the health, safety and welfare of the residents within the properties legally described in the Restrictive Covenants and Conditions as amended and restated, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by lawful annexation, hereafter referred to as "The Properties", and for this purpose to:

- A. Own, acquire, build, operate and maintain lakes, recreation parks, playgrounds, swimming pools, golf courses, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "the common properties and facilities";
- B. Maintain unkempt lands or trees;
- C. Fix assessments (or charges) to be levied against the Properties;
- D. Enforce any and all covenants, restrictions and agreements applicable to the Properties;
- E. Pay taxes, if any, on the common properties and facilities;

F. Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Properties; and

G. To engage in any lawful act or activity for which corporations may be organized under the Kansas Corporation Code.

Section 2. The corporation shall have the power to mortgage its properties only to the extent authorized under the recorded Restrictive Covenants and Conditions and Articles of Incorporation applicable to said properties.

The total debts of the corporation, including the principal amount of such mortgages outstanding at any time, shall not exceed the total of one year's assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds 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 mailed to members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 3. The corporation shall have power to add to and dispose of its real properties only as authorized under the recorded Restrictive Covenants and Conditions applicable to said properties.

ARTICLE VII BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be managed by a Board of five (5) Directors who shall be members of the corporation. Beginning with the spring meeting to be held May 2, 1992, three (3) Directors will be elected to serve terms of one (1) year, two (2) years, and three (3) years, respectively; the one with the greater number of votes to serve the longer term of office, the next highest to serve the two-year term, and the next highest after that to serve the one-year term.

At the following Annual Meetings in 1993 and 1994, two (2) Directors will be elected. Every third year starting with 1992, only one (1) Director will be elected. Intermittent years, two (2) Directors will be elected.

The sum of \$150.00 per month expense allowance will be divided among the five (5) Directors evenly.

Section 2. Vacancies in the Board of Directors shall be filled by the remaining Directors, with any such appointed Director to hold office until his or her successor is elected by the members, who shall make such election at the next annual meeting of the members or at any special meeting duly called for that purpose.

ARTICLE VIII
ELECTION OF DIRECTORS:
NOMINATING COMMITTEE, ELECTION COMMITTEE

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded Covenants applicable to The Properties. The names receiving the largest number of votes shall be elected.

Section 2. Except for the election of the first Board of Directors, nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the members to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each such Annual Meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members who have provided their resume to the Nominating Committee by March 15 of the election year. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) Describe the vacancies to be filled; (b) Set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) Contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return. Mailed ballots will be received not later than the day before the Annual Meeting.

or Special Meeting called for election. Those who are coming to the Annual Meeting may bring written ballots with them, but said ballots shall be submitted at least thirty (30) minutes prior to the meeting.

ARTICLE IX
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

A. To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of ten percent (10%) of the voting membership, as provided in Article XIII, Section 2.

B. To appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity whatsoever.

C. To levy and assess, and collect the assessments or charges referred to in Article III, Section 2.

D. To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.

E. To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members in the Covenants.

F. In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

G. To require all vehicles on lots to be maintained in a roadworthy condition with minimum state insurance requirements being met. All "off road" vehicles shall be required to meet the liability insurance requirements of the state.

Section 2. It shall be the duty of the Board of Directors:

A. To 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 Meeting when such is requested in writing by ten percent (10%) of the voting membership, as provided in Article XIII, Section 2.

B. To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

C. As more fully provided in the Restrictive Covenants and Conditions applicable to the Properties:

1. To fix the amount of the assessment against each lot (property) for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
2. To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member and, at the same time;
3. To send written notice of each assessment to every owner subject thereto.

D. To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

Section 3. The Association does not have sufficient resources to provide security in regard to the properties and the common properties. Therefore, the Linn County, Kansas Sheriff's Department has the sole responsibility for providing security and safety regarding the properties and the common properties.

ARTICLE X
DIRECTORS' MEETINGS

Section 1. An Annual Meeting of the Board of Directors shall be held on the first Saturday of May of each year after the membership meeting. Provided that the Board of

Directors may hold regular meetings during the year to conduct the business of the corporation, said meeting days and hours to be set by Board resolution.

Section 2. Notice of such Annual Meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special Meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after a three (3) day notice has been given to each Director of the date and time of the meeting. Notice may be given by mail, hand delivery or by telephone.

Section 4. The three (3) day notice referred to in Section 3 hereof is not necessary if each of the Directors signs a written waiver of notice, or a consent to the holding of a meeting, or approves the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI OFFICERS

Section 1. The officers shall be a president, vice-president, secretary, and treasurer. The president and vice-president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried out.

Section 5. The vice-president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be an ex officio Board member. The secretary of the Board of Directors shall record the votes and keep the minutes of all proceedings in a

book to be kept for that purpose. He or she shall sign all certificates of membership. He or she shall keep the records of the Association together with the addresses as registered by such members.

Section 7. The secretary or the treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

Section 8. The treasurer shall keep proper books of account and cause an annual compliance report regarding the Association books to be made by an outside public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement to be presented to the membership at its regular Annual Meeting.

ARTICLE XII COMMITTEES

Section 1. The standing committees of the Association shall be:

Nominations Committee
Recreation and Entertainment Committee
Maintenance Committee
Planning/Architectural Committee
Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairperson and two or more members and shall include a member of the Board of Directors for board contact. The committee shall be appointed by the Board of Directors prior to each Annual Meeting to serve from the close of such Annual Meeting until the close of the next Annual Meeting, and such appointment shall be announced at each such Annual Meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation and Entertainment Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the common properties and facilities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Planning/Architectural Committee shall have the duties and functions described in of the Restrictive Covenants and Conditions applicable to the properties. It shall watch for any proposals, programs or activities which may adversely affect the residential value of the properties and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Audit Committee shall review the annual compliance report to be completed by an outside accountant of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at the regular Annual Meeting as provided in Article XI, Section 8. The treasurer shall be an ex officio member of the Audit Committee.

Section 7. With the exception of the Nominations Committee and the Planning/Architectural Committee (but then only as to those functions that are governed by the Restrictive Covenants and Conditions applicable to the properties), each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 8. It shall be the duty of each committee to receive complaints from members on any matter 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 XIII MEETINGS OF MEMBERS

Section 1. The regular Annual Meeting of the members shall be held on the first Saturday in May each year at the hour of 1:00 o'clock p.m.

Section 2. Special Meetings of the members for any purpose may be called at any time by a quorum of the Board of Directors, or upon written request of the members who have a right to vote ten percent (10%) of all of the votes of the entire membership.

Section 3. Notice of the Annual Meeting and any special meetings shall be mailed to each eligible member fourteen (14) days in advance of said meeting and shall set forth in general the nature of the business to be transacted.

Section 4. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes of the membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles of Incorporation or by the Covenants applicable to the properties shall require a quorum as therein provided.

ARTICLE XIV PROXIES

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the secretary. No proxy shall extend beyond the meeting referred to in the proxy, and every proxy shall automatically cease upon sale by a member of his home or other interest in the properties.

ARTICLE XV BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to the inspection of any members.

ARTICLE XVI AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of the members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Restrictive Covenants and Conditions applicable to the properties may not be amended except as provided in such Restrictive Covenants and Conditions.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Restrictive Covenants and Conditions applicable to the properties and these Bylaws, the Restrictive Covenants and Conditions shall control.