

## EXHIBIT B

### BYLAWS OF THE VILLAGES CONDOMINIUM ASSOCIATION, INC.

#### ARTICLE I. INTRODUCTORY PROVISIONS

1. Applicability. These Bylaws ("Bylaws") shall relate to the property commonly known as The Villages, a condominium located in the City of Overland Park, Johnson County, Kansas, more particularly described in a Declaration of Condominium recorded concurrently herewith in the office of the Register of Deeds for Johnson County, Kansas, as amended, supplemented or restated from time to time by instruments properly recorded in said office of the Register (the "Declaration").
2. Name. The name of the Corporation is: The Villages Condominium Association, Inc., a non-profit corporation organized under the laws of the State of Kansas, hereinafter referred to as the "Association."
3. Office. The principal office of the Association shall be located in Overland Park, Kansas or at such other place as the Directors may designate from time to time.
4. Definitions. The capitalized terms used herein without definition shall have the same definitions as such terms have in the Declaration, or, if not defined in the Declaration, in the Kansas Apartment Ownership Act as set forth in K.S.A. §§ 58-3101 et seq., as amended from time to time (the "Act"), unless these By-laws or the context of these By-laws clearly indicate otherwise.

#### ARTICLE II. MEMBERSHIP

1. Membership in the Association. Every Owner (including Declarant, so long as Declarant owns any Unit) shall be a Member of the Association and have such vote as provided in the Declaration. Whenever any person shall cease to be an Owner, it shall not relieve or release that person from any liability or obligation incurred as a Member of the Association prior to the time that membership ceases, nor impair any rights or remedies that the Board or others may have against the former Member arising out of ownership of a Unit and membership in the Association.
2. Place and Frequency of Meetings. Meetings of the Members will be held at least once each year and all meetings shall be held at such place in Johnson County, Kansas at such time as the Board may determine.
3. Annual Meetings. Annual meetings of the Members will be held in the last calendar quarter of the year at such time and place as set by the Board. At the annual meeting of the Members, there shall be an election of Directors, presentation of the budget for the upcoming calendar year, and a transaction of such other business of the Association as may properly come before the meeting.
4. Special Meetings. Special meetings of the Members of the Association may be called at any time by the President of the Association or by a majority of the Board or if a written demand is presented to any corporate officer for a special meeting describing the purpose or purposes for which it is to be held, signed and dated by persons representing at least twenty percent (20%) of

the total votes in the Association. The close of business on the thirtieth (30th) day before delivery of the demand for a special meeting to a corporate officer is the record date for the purpose of determining whether the twenty percent requirement has been met. If such a written demand for a special meeting by the holders of twenty percent (20%) of the voting power is presented as aforesaid, notice for a special meeting shall be given within thirty (30) days after the date the written demand has been delivered to the corporate officer and if such notice is not given, then a person signing the demand may set the time and place of the meeting and give notice of the special meeting as otherwise required. No business shall be conducted at any special meeting unless it shall be within the purpose or purposes described in the meeting notice.

5. Notice of Meetings. Notice of annual and special meetings shall be in writing delivered to the Members stating the place, date and time of the meeting. If the notice is hand delivered to the Member, the notice shall be delivered at least ten (10) but no more than sixty (60) days prior to the date of the meeting and if the notice is given by mail, it shall be by First Class or Registered Mail, deposited in the mail at least fourteen (14) but no more than sixty (60) days prior to the date of the meeting. In the event that there is more than one Member residing at an address, the notice may be addressed to all of the Members at that address and need not be given separately to each Member. In the event any meeting shall be adjourned to a different date, time or place, no new notice need be given of the new date, time or place if it is announced at the meeting before adjournment. Notice of a meeting shall contain a description of any matter or matters which must be approved by the Members as set forth in these Bylaws, the Declaration, or under Kansas law.

6. Record Date. The Board may fix a future date as the record date for determining the Members entitled to notice of a meeting and for determining the Members entitled to vote at a meeting and for determining the Members entitled to exercise any rights with respect of any other lawful action.

7. Quorum. A quorum is deemed to be present throughout any meeting of the Members if persons entitled to cast one third (1/3) of the total votes of the Association are present, in person or by proxy, at the beginning of the meeting.

8. Voting Rights. Owners shall be entitled to a number of votes on all matters to be voted on by the Members, determined in accordance with the formula set forth in the Declaration.

9. Majority Vote Wins. Unless otherwise required by the law of the State of Kansas or by the Declaration, if a quorum is present at a meeting of the Members the affirmative vote of the majority of the votes represented and voted which affirmative vote also constitutes a majority of the required quorum, constitutes approval and it is the act of the Members.

10. Cumulative Voting. There shall not be cumulative voting for any purpose including election of the Board.

11. Proxy Voting. A vote of any Unit may be cast pursuant to a proxy duly executed by the Owner. No proxy may be revoked except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable

without notice. A proxy terminates eleven (11) months after its date unless it specifies a shorter term.

12. Voting by Multiple Owners. Since the Owner of a Unit may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the votes appertaining to that Unit. If more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast such vote without protest being made forthwith by any of the others to the person presiding over the meeting. As applied to an Owner which is not a natural person, the word "person" shall be deemed for the purposes of this section to include, any natural person having authority to execute deeds on behalf of such Owner.

13. Voting Requirements. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of the Association if and only if such Member shall have fully paid all assessments made or levied and due against such Member by the Board as hereinafter provided, together with all interests, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to such Member's Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

14. Conduct of Meetings. The President, or a designated alternative, shall preside over all meetings of the Association and the Secretary shall keep the minutes of each meeting and shall record all transactions occurring and all resolutions adopted at the meeting. When not in conflict with the Act, the Declaration or Bylaws, Robert's Rules of Order shall govern the conduct of all meetings of the Members.

15. Actions of Association without a Meeting: Any action required or permitted to be taken by a vote of the Members may be taken without a meeting if all Members shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the records of proceedings and decisions kept by the Association, and shall have the same force and effect as a unanimous vote at a meeting of the Members.

### ARTICLE III. BOARD OF DIRECTORS

1. Initial Board. The initial Board shall be elected and have those members as provided by Section 4.3 of the Declaration (the "Initial Board").

2. Board after the Initial Board - Membership, Number, Terms. After the Initial Board shall cease to exist under the terms of the Declaration, the Members of the Association shall elect a Board which shall consist of three (3) members. The number of Directors may be changed by amendment to these Bylaws, but the total number may not be less than three (3). Each member of the Board (a "Director") shall serve until his or her successor has been elected and qualified. All Directors shall be Members of the Association or officers, directors or agents of a Member and must be natural persons. A vacancy on the Board may be filled by the majority vote of the remaining Directors until the next annual meeting of the Members at which time Directors are to be elected. All Directors after the Initial Board shall be elected to staggered three (3) year terms so that only one-third (1/3) of all Directors are elected in any year. Each Director shall hold

office until his or her successor has been elected. A Director may serve an unlimited number of terms.

3. Timing and Mode of Election. Elections for Directors shall be held at the annual meeting of the Members. For election purposes, each Member shall be entitled to cast the number of votes allocated to the Member's Unit in the Declaration. Members may not accumulate their votes. Those nominees receiving a majority vote shall be elected as Directors.

4. Removal of a Director. Except for the Initial Board, any Director may be removed by a majority vote of the Members. In the event of death, resignation or removal of a Director, his or her successor may be selected by the remaining Directors to fill the unexpired term.

5. Powers and Duties of the Board.

A. In General. The Board shall have all of those powers to act upon the behalf of the Association set forth in the Declaration and shall have all of the powers that an executive board may have to act on behalf of the Association as provided under Kansas law.

B. Specific Powers and Duties. Without limiting the generality of the powers and duties as set forth in Section 1 of this Article, the Board will have the following powers and duties in each case subject only to applicable requirements of the Declaration, the Articles of Incorporation of the Association (the "Articles") and Kansas law:

- (i) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration;
- (ii) To keep in good order, condition, and repair all the Common Elements and all items of personal property, if any, used in the enjoyment of the Common Elements;
- (iii) To fix, determine, levy, and collect the prorated annual assessments to be paid by each of the Members towards the maintenance of the Common Elements and the other expenses properly incurred by the Association, and to adjust, decrease or increase the amount of the assessments, and to credit any excess of assessments over expenses and cash reserves to the Members against the next succeeding assessment period;
- (iv) To designate, retain and remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Elements;
- (v) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent assessments as set forth in the Declaration;
- (vi) To borrow funds in such amounts as are necessary from time to time to meet the reasonable needs and requirements of the Association when the funds

required exceed the amount which the Board feels it reasonable to secure through a single annual assessment. No funds shall be borrowed without first submitting the amount thereof and the purposes for which the funds will be expended to a vote of the Members at a regular or special meeting and receiving the approval of the majority vote of the Members at that meeting. In the event that the Members shall approve all or part of the funds to be borrowed, the Board may therefore borrow the funds and authorize their appropriate officers to execute the appropriate documents and the repayment of the borrowed funds shall be obtained by including in the annual assessments thereafter such amounts in each such annual assessment as shall be necessary to pay the interest and principal in the amount borrowed for the term of the loan which shall be substantially in accordance with the approval received by the Members;

(vii) To dedicate, sell, or transfer all or any part of the Common Elements to any public governmental or quasi - governmental agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members;

(viii) To enter into contracts within the scope of their duties and powers;

(ix) To establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board;

(x) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Members or their Mortgagees during convenient weekday business hours;

(xi) To prepare a budget before the close of each calendar year as hereinbefore set forth and as provided in the Declaration; and

(xii) In general, to carry on the administration of the Association and to do all those things necessary and responsible to carry out the purposes of the Association, all in accordance with the Declaration and the Articles.

6. Compensation. No Director shall receive compensation for any services rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties as a Director.

#### ARTICLE IV. MEETINGS OF THE BOARD

1. Regular Meetings. Regular meetings of the Board shall be held at such regular times as set by the Directors, at such place and hour as may be fixed from time to time by resolution of the Directors, but such meetings shall be held no less frequently than once each calendar year. In the event there shall be only one (1) regular meeting, it shall be that meeting held in the last quarter of the calendar year at which the Directors adopt a budget for submission to the Members. Should a regularly scheduled meeting fall upon a legal holiday, that meeting will be held at the same time on the following day that is not a legal holiday.

2. Special Meetings. Special meetings of the Board will be held when called by the President of the Association or by any two (2) Directors, upon at least three (3) days prior notice to each Director. The notice will specify the date, time, place, and purpose of the meeting.

3. Waiver of Notice of Meeting.

A. Director may at any time waive any notice of any meeting of the board. Unless the waiver is by attendance at the meeting the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or records of the Association. A Director also waives notice of a meeting by participation at the meeting unless the Director upon arriving at the meeting or prior to a vote on the matter not contained in the notice objects to the lack of notice and does not vote for assent to the objected action.

B. Any action the Board is entitled to take may be taken without a meeting if all the Directors assent to the action. Such assent must be evidenced by one or more written consents describing the action taken and signed by each Director, included in the minutes and filed with the corporate records. Action taken without a meeting, as provided herein shall be effective when the last Director signs the consent, unless the consent specifies a different effective date. Actions taken by written consent as described herein have the effect of a meeting vote and may be described as such in any document.

4. Quorum. A quorum is present throughout any meeting of the Board if Directors entitled to cast fifty percent (50%) of the votes on the Board are present at the beginning of the meeting.

5. Required Vote. Each Director shall have one vote on any issue voted upon by the Board. When a quorum is present at a meeting of the Board a motion or other action shall be deemed adopted by the Board if the affirmative vote of a majority of the Directors present is received in favor of the matter.

## ARTICLE V. OFFICERS AND THEIR DUTIES

1. Enumeration of Officers. There shall be a President, Vice President, and Secretary of the Association and there may be a Treasurer and other officers as the Board may from time to time create by resolution. All officers of the Association shall be Directors.

2. Election of Officers. The officers shall be elected by the Board at its first meeting following the annual meeting of the Members.

3. Term. The officers of the Association shall hold office from the time of their election until the first meeting of the Board following the next annual meeting of the Members or until their successors are otherwise duly elected and qualified. Each officer may serve an unlimited number of terms.

4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer who resigns shall give written notice to the Board, the President, or the Secretary. Resignations will take effect on the date of receipt of notice thereof or at any later time specified in the notice and if not otherwise specified in the notice, the acceptance of the resignation will not be necessary to make it effective.

5. Vacancies. A vacancy in an office may be filled by appointment by the Board. A person appointed to an office to fill a vacancy will serve for the remainder of the term of the office vacated.

6. Multiple Offices. Any two or more offices may be held by the same person except that the office of the President and Secretary may not be held by the same person.

7. Duties. The duties of the officers are as follows:

A. President. The President will preside at all meetings of the Association and the Board; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments; co-sign all promissory notes; cause to be prepared and execute, certify, and record amendments to the Declaration on behalf of the Association; and exercise and discharge such other duties as may be required of the President by the Board.

B. Vice President. The Vice President will act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and will exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board. The Secretary shall also perform the duties of the Treasurer in the event that a Treasurer is not elected.

D. Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board; sign all checks of the Association unless the Board specifically directs otherwise, keep proper books of account; at the direction of the Board, and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available to each of the Members.

8. Compensation. The officers of the Association shall serve without compensation for their services in such capacity unless such compensation is expressly authorized or approved by vote of the Members.

## ARTICLE VI. INDEMNIFICATION

1. Scope of Indemnification. To the extent permitted by law and consistent with the Articles, the Association will indemnify every Director, and every officer, employee and agent of the Association against liability asserted against or incurred by that person in that capacity or arising out of that person's capacity as such. The indemnification permitted under this Article will not extend, in any event, to any act or omission occurring before the date of incorporation of the Association.

2. Settlements. In the event of a settlement, the Association will provide indemnification for those matters covered by the settlement only if counsel advises the Association that the person to be indemnified had not been guilty of the alleged actions or omissions in the performance of the person's duties for the Association.
3. Does Not Exclude Other Rights. The foregoing rights will not be exclusive of other rights to which the Director or officer or other person may be entitled.
4. Treated as Common Expense. All liability, loss, damage, cost, and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Association as a Common Expense.

#### **ARTICLE VII. ASSESSMENTS, OPERATION OF THE COMMON ELEMENTS**

1. Determination of Common Expenses and Assessments against Owners.
  - A. Fiscal Year. The fiscal year of the Association shall consist of a 12 - month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year of the Association shall begin on the date of organization and terminate on December 31 of that year. The fiscal year herein established shall be subject to change by the Board.
  - B. Preparation and Approval of Budget. Each year the Board shall adopt a budget for the Association in accordance with the provisions of Article V of the Declaration.
2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expense Charges assessed by the Board pursuant to the provisions of the Declaration. No Owner may be exempt from liability for contribution toward the Common Expenses by abandonment or waiver of the use or enjoyment of any Unit or any of the Common Elements. No Owner shall be liable for the payment of any part of the Common Expenses assessed against such Owner's Unit subsequent to a sale, transfer or other conveyance thereof. The purchaser of a Unit, or a successor Owner by virtue of any such transfer shall be jointly and severally liable with the selling Owner for all unpaid assessments up to the time of conveyance, without prejudice to the purchaser's right to recover from the selling Owner; provided, however, that any such selling Owner shall be entitled to a signed and duly executed statement from the Board setting forth the amount of the unpaid assessments, and such purchaser shall not be liable for, nor shall the Unit be subject to any lien for, any unpaid assessments in excess of the amount set forth in the statement.

#### **ARTICLE VIII. NON-PROFIT CORPORATION**

The Association is not organized for profit. No Member of the Association, Director or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any Director; provided, however, that upon dissolution of the Association, the assets remaining after payment of outstanding liabilities shall be

transferred to all of the then Owners of the Units as tenants in common, in proportion to their Allocated Interests.

## ARTICLE IX. AMENDMENTS

Except as otherwise provided in any one or more of these Bylaws, the Declaration or the Act, these Bylaws may be amended, at a regular or special meeting of the Members by a majority vote of all the voting power or by two - thirds (2/3) of the votes cast, whichever is less, provided, however, that if such amendment shall make any change which would have a material affect upon any rights, privileges, powers and options of the Declarant, such amendment shall require the joinder of the Declarant.

## ARTICLE X. GENERAL PROVISIONS

1. Severability. The provision of these Bylaws shall be deemed independent and severable and the invalidity, partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion hereof unless the deletion of such invalid or unenforceable provision shall destroy the uniform plan for development and operation of the Condominium which the Declaration and these Bylaws are intended to create.
2. Conflicts. The Act and the Declaration shall control in the event of any conflict between the provisions thereof and the provisions of these Bylaws.
3. Notices. All notices or other communications required or permitted under these Bylaws shall be in writing and shall be deemed to have been given when personally delivered or transmitted by facsimile or on the second business day after the day on which mailed by certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) if to an Owner, at the single address which the Owner shall designate in writing and file with the secretary or, if no such address is designated, at the address of the Unit of such Owner, or (b) if to the Association or the Board, at the principal office of the Association or at such other address as may be designated by notice in writing to the Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the secretary shall be entitled to receive all notices hereunder.
4. Headings. The headings preceding the various sections of these Bylaws are intended solely for the convenience of the readers and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.
5. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.
6. Corporate Seal. The Association shall have and use no corporate seal, unless otherwise determined by the Board.

**CERTIFICATE**

I hereby certify that I am the Secretary of a Kansas nonprofit corporation, and the keeper of its corporate records; that the Bylaws to which this Certificate is attached were duly adopted by said corporation's Board of Directors as and for the Bylaws of the Corporation effective as of the date set forth below; and that these Bylaws constitute the Bylaws of the Corporation and are now in full force and effect.

Date: \_\_\_\_\_

\_\_\_\_\_  
E. John Dobbs, Secretary