

**BYLAWS
OF
GRAND ESTATES COMMUNITY ASSOCIATION, INC.**

**ARTICLE I
Names, Offices, and Definitions**

- Section 1. Name. The name of the corporation is Grand Estates Community Association, Inc. (hereinafter the “Association”).
- Section 2. Definitions. The capitalized words and terms used but not otherwise defined herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Easements, Covenants, Conditions, and Restrictions for Grand Estates Community Association, Inc. which was recorded on November 17, 2015, in the office of the Register of Deeds of Riley County, Kansas, Book 864, Page 6646 (hereinafter the “Declaration”), as the same may be from time to time amended.
- Section 3. Principal Office. The principal office of the Association shall initially be located at 1616 Barrington Drive, in the City of Manhattan, Riley County, State of Kansas 66503.
- Section 4. Other Offices. The Association may also have offices at such other places both within and without the State of Kansas as the Board of Directors may from time to time determine or the business of the Association may require.

**ARTICLE II
Meetings of Members**

- Section 1. Place of Meeting. All meetings of the Members shall be held at such hour and place either within or without the State of Kansas as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. In the event that the Board of Directors shall fail to fix the place for a meeting of Members, such meeting shall be held at the Association’s principal office.
- Section 2. Meetings. The Members must meet at least annually at a time, date and place in accordance with the Bylaws. Special meetings of the Members may be held to address any matter affecting the Association if the Association President, a Majority of the Association Board, or at least ten percent (10%) of the Members call such a meeting. If a special meeting has not been set within thirty (30) days, the parties requesting the special meeting may directly notify all of the non-requesting Members of the meeting. Owners shall be given an opportunity to comment on matters pertaining to the Association during all meetings.

Section 3. Notice. Written notice for both annual and special meetings shall be made at least ten (10) days and no more than sixty (60) days beforehand, and shall include: (1) statement of the general nature of any proposed revisions to the Declaration or the Bylaws; (2) any Association budget proposals or changes; and (3) any proposal to remove a member of the Board or an officer of the Association. If mailed, notice shall be deemed to have been given when deposited in the United States mail, postage prepaid, directed to the Member at his or her address as it appears on the records of the Association. An affidavit of the Secretary or Assistant Secretary or of the transfer agent of the Association that notice has been given shall be *prima facie* evidence of the facts stated therein in the absence of fraud.

Section 4. Members' List. The officer, or any person designated by the Association, who has charge of the membership records of the Association shall prepare and make, at least ten (10) days before every meeting of Members, a complete list of the Members then entitled to vote, arranged in alphabetical order, and showing the address of each Member. Such list shall be open to the examination of any Member then entitled to vote, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member then entitled to vote who is present.

Section 5. Quorum. A majority of the Members then entitled to vote at any meeting, represented in person or by proxy, shall constitute a quorum at all meetings of the Members for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members then entitled to vote at any meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; provided, however, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record then entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 6. Action by Members. When a quorum is present at any meeting, the vote of a majority of the Members then having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Articles of

Incorporation, a different vote is required, in which case, such express provision shall govern and control the decision on such question.

Section 7. Voting. As contemplated by the Grand Estates Declaration, until such time as Developer shall own less than two (2) acres in the Residential District, as such term is defined in the Declaration of Easements, Covenants, Conditions, and Restrictions for the Grand Mere Property Residential District Master Association, Developer shall have the sole and controlling vote as a Member in the Association. Thereafter, each Member of the Association shall at every meeting of the Members be entitled to one (1) vote in person or by proxy, but no proxy shall be voted on after three (3) years from its date, unless the proxy provides for a longer period. The Developer may at any time (but shall not be required to) relinquish all or any part of Developer's control and rights under this section.

Section 8. Informal Action by Members. Any action required to be taken at any annual or special meeting of Members then entitled to vote, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all the Members then entitled to vote with respect to the subject matter thereof. Such agreement or consent shall be filed by the Secretary or Assistant Secretary in the Minute Book of the Association.

ARTICLE III Directors

Section 1. Management of Association. The business of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things which are not otherwise required by statute, by the Declaration, by the Articles of Incorporation, or by these Bylaws to be done by the Members.

Section 2. Number. The initial number of Directors which shall constitute the whole Board shall be three (3). The initial three (3) directors' terms shall be staggered with one (1) Director elected for one (1) year, one (1) Director elected for two (2) years, and one (1) Director elected for three (3) years. Thereafter, the terms of the Directors shall be for three (3) years. The number of Directors shall be never be more than five (5), and shall be determined by resolution adopted by a vote of the Members. Upon the expiration of a Director's term, a Director shall be elected at the annual meeting of the Members, except as provided in Section 11 of this Article III, and each Director elected shall hold office until his or her resignation, his or her removal, or his or her successor is elected and qualified, whichever occurs first.

Section 3. Meetings of the Newly Elected Board; Notice. The first annual meeting of each newly elected Board of Directors shall be held: (i) at such time and place immediately after the meeting of Members at which such newly elected Board was elected, provided a quorum shall be present; or (ii) if a quorum shall not be present, at such time and place as shall be consented to in writing by a majority of the newly elected Directors, provided that written notice of such meeting shall be given to each of the other Directors in the same manner as provided in Section 5 of this Article III with respect to the giving of notice for special meetings of the Board except that it shall not be necessary to state the purpose of the meeting in such notice; or (iii) at such time and place as shall be consented to in writing by all of the newly elected Directors.

Every Director of the Association, upon his or her election, shall qualify by accepting the office of Director, and his or her attendance at, or his or her written approval of the minutes of, any meeting of the Board subsequent to his or her election shall constitute his or her acceptance of such office; or he or she may execute such acceptance by a separate writing, which shall be placed in the Association's Minute Book.

Section 4. Meetings. All meetings of the Board must take place at least two (2) times per year during the period of the Developer's control of the Association. One (1) such meeting must take place in the Community. Following the period of the Developer's control, the Board must meet at least annually. Each annual meeting must take place at the Association's principal office or at a location convenient for the Members. Meetings of the Board and its committees must be open to the Members except for executive sessions of the Board, which are limited to discussions involving: (1) consultation with the Association's attorney; (2) litigation or related alternative dispute resolution proceedings; (3) labor or personnel matters; (4) leases, commercial transactions or purchase if information released would compromise the Association's position; and (5) matters that would violate the privacy of any Person. Copies of materials distributed to the Board except for unapproved minutes or materials for executive sessions shall be reasonably made available to Members.

Section 5. Notice of Meetings. Unless the Board meeting is either an emergency or in a notice previously provided to all Members, the Board must notify the Members of a Board meeting at least five (5) days in advance of such meeting. Written notice of a Board meeting shall include the time, date, place and agenda of such meeting and shall be mailed to each Member addressed to him or her at his or her residence or usual place of business at least seven (7) days before the day on which the meeting is to be held or delivered to him or her personally, at least five (5) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when it is deposited in the United States mail with postage thereon addressed to the Director at his or her residence or usual place of business. The notice may be given by any officer having authority to call the meeting. Any meeting of the Board of

Directors shall be a legal meeting without any notice thereof having been given if all Directors shall be present.

Section 6. Meetings by Conference Telephone or Similar Communications Equipment. Unless otherwise restricted by the Articles of Incorporation, Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

Section 7. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Declaration, or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Designation of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one (1) or more committees, each committee to consist of one (1) or more of the Directors. The Board may designate one (1) or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence of disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Association. No such committee shall have the power or authority in reference to amending the Articles of Incorporation, adopting an agreement of merger or consolidation, recommending to the Members the sale, lease, or exchange of all or substantially all of the Association's property and assets, recommending to the Members a dissolution of the Association or a revocation of a dissolution, or amending the Bylaws of the Association. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 9. Minutes of Committee Meetings. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 10. Compensation of Directors. The Board of Directors shall have the authority to fix the compensation, if any, of Directors. The Directors may be paid their expenses, if any,

of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payments shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 11. Vacancies. Any vacancies, however created, and newly created directorships resulting from any increase in the authorized number of Directors may be filled by a majority of the Directors then in office, even if less than a quorum, or by a sole remaining Director. The Directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, unless sooner displaced. If there are no Directors in office, then an election of Directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the Directors then in office shall constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Developer, in its discretion, may summarily fill any such vacancies or newly created directorships, or replace the directors chosen by the Directors then in office.

Section 12. Removal of Director. Any member of the Association Board may be removed from office, by action of the Members, in accordance with the following procedures: Upon the presentation to the Association President of a petition duly executed by thirty-four percent (34%) or more of all of the Members in favor of the removal from office of the member or members of the Board therein named, a special referendum meeting of the Members shall be promptly held to determine whether such member or members of the Board should be removed from office. A proposal to remove a member or members of the Board must be listed as an item in the notice of such meeting. At said meeting, upon the affirmative vote of two-thirds (2/3) of all of the Members then-entitled to vote to remove such member or members of the Board from office, such member or members of the Board shall be so removed. However, the member or members of the Board being considered for removal must have a reasonable opportunity to speak at said meeting prior to the vote of the Members. Any vacancy on the Board created by the removal of a member of the Board as herein provided shall be filled by an election of all of the Members in the manner provided in the Association Articles or Association Bylaws for the election of directors.

Section 13. Resignations. Any Director may resign at any time upon written notice to the Association. Such resignation shall take effect at the time specified therein or, if no time is specified therein, shall take effect upon receipt thereof by the Association, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 14. Non-Delegable Powers. The powers of the Board are non-delegable unless such powers are specifically provided as delegable in these Bylaws.

Section 15. Restrictions on Board. Notwithstanding the foregoing, the Board may not perform any of the following acts: (1) amend the Declaration, except as provided by law; (2) amend the Association Bylaws; (3) terminate the Association; (4) elect a member or members of the Association Board except to fill vacancies on the Board until the next election of members to the Board; and (5) determine the Board's qualifications, powers, duties, or terms of office.

ARTICLE IV Officers

Section 1. Manner of Selection; Authorized Officers. The officers of the Association shall be elected by the Board of Directors at each annual meeting, or at such other time as the Board deems necessary or appropriate, as provided in Section 2 of this Article IV, and such officers shall include a President, a Secretary, and a Treasurer. The Board of Directors may also elect a Chairman of the Board, one (1) or more Vice-Presidents, and one (1) or more Assistant Secretaries or Assistant Treasurers, and such other officers as it deems necessary to hold offices, to exercise such powers and to perform such duties as shall be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.

Section 2. Time for Selection of Officers. Officers of the Association shall be elected by the Board of Directors at its annual meeting, immediately following the annual meeting of Members, or at such other time as the Board deems necessary or appropriate to fill vacancies as provided by Article IV, Section 5.

Section 3. Appointment of Agents. The Board of Directors may appoint such other agents as it shall deem necessary or advisable to exercise such powers and perform such duties as shall be determined from time to time by the Directors.

Section 4. Compensation. The compensation of all officers and agents of the Association, if any, shall be fixed by the Board of Directors.

Section 5. Term. Each officer of the Association shall serve for a term of one (1) year and shall hold office until his or her resignation, his or her removal, or his or her successor is duly elected and qualified, whichever first occurs. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Association shall be filled by the Board of Directors.

Section 6. Powers and Duties. The officers of the Association shall have the following powers and duties:

President

To the extent not prohibited by law, or as otherwise herein expressly limited, the President shall be empowered to exercise control over the affairs of the Association and to act on behalf of, and bind, the Association in every instance wherein the Association is required or permitted to take any action. The President shall not have the power to borrow any funds on behalf of the Association, make any expenditures on behalf of the Association which are, in the aggregate, more than five percent (5%) of the total amount of the Association's budget, or increase the amount of or levy any Assessment, without the prior approval of the Board of Directors. The President shall preside at all meetings of the Members and Directors, except that if the President is not available to preside at a meeting of the Board of Directors, the President shall designate a member of the Board to so preside.

Vice-President

The Vice-President or Vice-Presidents, if elected, shall perform such duties and have such powers as the Board of Directors may from time to time prescribe or which the President may from time to time delegate. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President (or in the event there be more than one (1) Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President in his or her capacity as an officer (and not as a Director) of the Association, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Secretary and Assistant Secretary

The Secretary or Assistant Secretary, if elected, shall record all proceedings of the meetings of the Board of Directors and all meetings of the Members in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary may also give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed in the Declaration or by the Board of Directors or which the President may from time to time delegate.

The Assistant Secretary, or if there be one (1), shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or which the President may from time to time delegate.

Treasurer and Assistant Treasurer

The Treasurer shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects

in the name and to the credit of Association in such depositories as may be designated by the Board of Directors.

Subject to the provisions of Article VI, Section 3, the Treasurer shall disburse the funds of the Association, keeping appropriate record of such disbursements, and shall render to the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Association.

If required by the Board of Directors the Treasurer, or any Assistant Treasurer, shall give the Association a bond (which shall be renewed at least every six (6) years, unless sooner required by the Board of Directors) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office.

The Assistant Treasurer, if there shall be one (1), shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or which the President may from time to time delegate.

ARTICLE V General Provisions

- Section 1. Prohibition of Dividends. No dividends may be declared by the Board of Directors. The Association is a corporation not organized for profit under Kansas law, and no part of its net earnings or income shall be distributed to its Members.
- Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by the Treasurer or such officer or officers or such other person or persons as the Board of Directors may from time to time authorize.
- Section 3. No Seal. The Association shall have no seal.

ARTICLE VI Indemnification of Directors, Officers, Employees, and Agents

- Section 1. Indemnification Generally. The Association shall indemnify the Developer, Thierer Construction, Inc., Legacy Realty of Kansas, LLC, any Director, officer, employee, or agent of the Association (“Indemnified 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, whether civil, criminal, administrative, or investigative, other than an

action by or in the right of the Association, by reason of the fact that the Indemnified Person is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Indemnified Person in connection with such action, suit, or proceeding, including attorney fees, if the Indemnified Person acted in good faith and in a manner the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Association; and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Indemnified Person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the Indemnified Person's conduct was unlawful.

Section 2. Indemnification in Derivative Actions. The Association shall indemnify any Indemnified Person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the Indemnified Person is or was the Developer or a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses actually and reasonably incurred by the Indemnified Person in connection with the defense or settlement of such action or suit, including attorney fees, if the Indemnified Person acted in good faith and in a manner the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which the Indemnified Person shall have been adjudged to be liable to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the Indemnified Person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3. Amount of Indemnification. To the extent that an Indemnified Person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article VI, or in defense of any claim, issue, or matter therein, the Indemnified Person shall be indemnified against expenses actually and reasonably incurred in connection therewith, including attorney fees.

Section 4. Insurance. The Association may purchase and maintain insurance on behalf of any Indemnified Person, including the Declarant or any person who is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would otherwise be authorized to indemnify him or her against such liability under the provisions of this Article.

Section 5. Extent of Indemnification. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to an Indemnified Person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of the Indemnified Person's heirs, executors, and administrators, unless otherwise provided by written contract between the Association and the Indemnified Person or by resolution adopted by the Association's Board of Directors at any time in its sole discretion, with respect to which resolution no notice need be given to the Indemnified Person. If the Indemnified Person performs services or duties for the Association which entitle the Indemnified Person to be indemnified or to receive advanced payment of expenses hereunder, and is at the same time also entitled to receive indemnification with respect to such services or duties from a third party, then the Association shall indemnify or advance only that portion of the Indemnified Person's expenses which the Indemnified Person has been unable to receive (after making a reasonable effort satisfactory to the Association) from the third party.

ARTICLE VII Amendments

These Bylaws may be altered or amended upon approval of not less than a majority of the Members; no amendment shall be contrary to or supersede the provisions of the Declaration or the Articles of Incorporation. The President may execute any amendment of the Bylaws thus approved. The President shall also be the required signatory to any amendments to the Declaration made by or on behalf of the Association.

ARTICLE VIII Miscellaneous

Section 1. Construction. The titles of the paragraphs and subparagraphs have been inserted as a matter of convenience and reference only, and shall not control or affect the meaning or construction of these Bylaws.

Section 2. Conflict with Declaration; Incorporation of Declaration Provisions in Bylaws. These Bylaws are intended to be construed and interpreted in a manner consistent with the Declaration; however, if such consistency is not possible through reasonable construction and interpretation of these Bylaws, the provisions of the Declaration shall control. Any right, power, authority, discretion, or obligation granted, authorized, or imposed by the provisions of the Declaration shall be deemed to be so granted, authorized, or imposed to the same extent and with the same effect as if such provisions were set forth at length in these Bylaws.

CERTIFICATION

I, Larry Thierer, Secretary of Grand Estates Community Association, Inc., hereby certify that the above and foregoing is a true and complete copy of the Bylaws of Grand Estates Community Association, Inc. as adopted by the Members as of the 8th day of December, 2015.

DATED: December 8, 2015


Larry Thierer, Secretary