

**THE BY-LAWS OF
HERITAGE SQUARE SOUTH ASSOCIATION
A KANSAS NOT-FOR-PROFIT CORPORATION**

ARTICLE I

Name of Corporation; Offices; Definitions

1.01 **NAME:** The name of this corporation is Heritage Square South Association (hereinafter "Association").

1.02 **PRINCIPAL OFFICE:** The principal office shall be located at 1213 Hylton Heights Road, Suite 129, Manhattan, Riley County, Kansas 66502.

1.03 **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.

1.04 **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 and Agreement Establishing Covenants Restricting Use of Land as Building Sites and Buildings as to Size, Exterior Elevations, and Facades for Heritage Square South, an Addition to the City of Manhattan, Pottawatomie County, Kansas, which were recorded in the Office of the Register of Deeds of Pottawatomie County, Kansas, in Book 501 at Page 37, and were amended pursuant to a First Amendment recorded with the Pottawatomie County Register of Deeds in Book 522 at Page 174, and a Second Amendment recorded with the Pottawatomie County Register of Deeds in Book 624 at Page 31.

The term "Developer" shall refer to Heritage Square Land Company, LLC, a Kansas limited liability company.

ARTICLE II

Purposes and Powers

2.01 **PURPOSES:** The purposes of this Association are to act on behalf of its members collectively, as their governing body with respect to the protection, improvement, alteration, maintenance, repair, replacement, administration, and operation of the Association, including taking such action as is necessary for the assessment of: expenses, payment of losses, disposition of casualty insurance (if any), regular and special assessments, and other matters as provided in or contemplated by the Association Declaration, the Association Articles, and these By-Laws. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the benefit of the Development in accordance with the provisions of the Declaration, the Association Articles, and these By-Laws.

2.02 **POWERS:** The Association shall have and exercise all powers as are now or may

hereafter be granted by the General Corporation Code of the State of Kansas, the Declaration and these By-Laws.

ARTICLE III
Membership

Each owner of any portion of a lot (notwithstanding the number of lots or portions of lots owned) and so long as he or she is the owner of such portion shall be a member of the Association. Membership is non transferable and follows the ownership of the lot(s) and portions thereof. Such owner shall specify in writing to the Association the name of the individual who will hold the Association membership, or if the owner is or includes a partnership the Association member may be an individual who is a partner, or an officer of a corporation if the owner is or includes a corporation, or a beneficiary of a trust if the owner is or includes a trust, or an owner of an entity if the owner is or includes a person other than an individual, a partnership, a corporation, or a trust. In the absence of such written specification, assessments shall nevertheless be charged against the lot and owner(s) thereof, but there shall be no right to vote the membership.

ARTICLE IV
Meetings of Members and Voting

4.01 VOTING RIGHTS: There shall be one (1) vote for every 10,000 square feet of lot space ("Voting Unit") owned within the Association as described in Article III, to be exercised by the Association Member(s) owning such Voting Unit. If a Voting Unit is owned by more than one Association Member, the one (1) vote attributable to such Voting Unit shall be exercised collectively by the owners thereof in such a manner as they shall agree upon.

4.02 PLACE OF MEETING; QUORUM: Meetings of the Members shall be held at the principal office of this Association or at such other place in Kansas as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Members holding a majority of the votes of the Association, represented in person or by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Members, unless a greater proportion is required by the Act, the Declaration or these By-laws.

4.03 ANNUAL MEETINGS: Annual meetings of Association Members shall be held on the fourth Tuesday in January of each fiscal year (unless otherwise designated by the Board of Directors), or if that day be a legal holiday, on the next succeeding day not a legal holiday, at which they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

4.04 SPECIAL MEETINGS: Special meetings of the Association Members for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the Developer, by the President, by the Board of Directors, or upon the written request of not less than fifty percent (50%) of the votes of the Association. Such request shall state the purpose or purposes of the proposed meeting, as described in Section 4.05 of this Article IV. Business transacted at any special meeting of Association Members shall be limited to the purposes stated in the notice.

4.05 NOTICE: Written notice of each meeting of Association Members stating the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or given to each Association Member then entitled to vote not less than ten (10) nor more than thirty (30) days before the date of the meeting. If mailed, notice shall be deemed to have been given when deposited in the United States mail, postage prepaid, directed to the Association Member at his or her address as it appears on the records of the Association. Attendance of an Association Member then entitled to vote at a meeting shall constitute a waiver of notice of such meeting, except when the Association Member attends a meeting for the express and exclusive purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. 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.

4.06 ASSOCIATION MEMBER 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 Association Members, a complete list of the Association Members then entitled to vote, arranged in alphabetical order, and showing the addresses of each Association Member. Such list shall be open to the examination of any Association 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 Association Member then entitled to vote who is present.

4.07 INFORMAL ACTION BY OFFICE OWNERS ASSOCIATION MEMBERS: Any action required to be taken at any annual or special meeting of Association Members then entitled to vote, or any action which may be taken at any annual or special meeting of such Association 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 of the Association Members then entitled to vote with respect to the subject matter thereof. Such agreement or consent shall be filed by the Secretary in the Minute Book of the Association.

ARTICLE V
Board of Directors

5.01 IN GENERAL: The affairs of the Association shall be vested in the Board of Directors of the Association, which after the date that one hundred percent (100%) of all the Development has been sold or transferred from the Developer to entities other than the Developer or its assigns (the "Turnover Date") shall consist of not less than two (2) and not more than seven (7) individuals ("Directors"). The Board shall have all of the powers granted to it under the Act, the Declaration, these By-Laws and the General Corporation Code of the State of Kansas.

5.02 DEVELOPER DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the Owners after the Turnover Date, the Board shall consist of one (1) individual from time to time designated by the Developer. Such individual may, but need not, be an Owner and shall serve at the discretion of the Developer.

5.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Owners (which shall be held no later than sixty (60) days after the Turnover Date), the Members shall elect the initial Board (as provided for in the Act) in the manner hereinafter provided to replace the Developer designated Board established under Section 5.02. From and after such meeting, each member of the Board shall be an Owner or a Member, or both. Within sixty (60) days after the election of a majority of the Board other than those designated by the Developer, the Developer shall deliver to the Board:

(a) Original copies of the Declaration, these By-Laws, the Association's Articles of Incorporation and the Association's minute book.

(b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Developer designated Boards.

(c) All Association funds and bank accounts.

(d) A schedule of all personal property, equipment and fixtures belonging to the Association including documents transferring the property to the Association.

5.04 ELECTION: At the initial meeting of the Owners, the Members shall elect a full Board of Directors. Each Director shall hold office until the next annual meeting of the Owners or until his or her successor shall have been elected and qualified. A Director may succeed himself or herself. In all elections for members of the Board, each Member shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of votes to which such Member is entitled, and cumulative voting shall be permitted. The candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

5.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within 10 days

after the annual meeting of the Owners at such place as shall be fixed by the Directors at the annual meeting of the Owners, and no notice shall be necessary to the Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.06 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors.

5.07 SPECIAL MEETINGS: Special meetings of the Board may be called by the President or by at least one-third (1/3) of the Directors then serving.

5.08 NOTICE OF BOARD MEETINGS: Notice of each meeting of the Board shall be mailed to each Director at least 48 hours prior to the meeting and notice of any meeting of the Board after the Turnover Date concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened.

5.09 OPEN MEETINGS: After the Turnover Date, each meeting of the Board shall be open to any Owner and, if required under the Act, notice of such meeting shall be mailed at least 48 hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting.

5.10 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board.

Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

5.11 COMPENSATION/REIMBURSEMENT FOR EXPENSES. No Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Members. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

5.12 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office for cause, by action of the Members at any annual meeting or at a special meeting called for such purpose. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be either an Owner or a Member, he or she shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired

term of a Director who resigns or is removed may be elected by the Members at any annual meeting or at any special meeting called for such purpose and any successor so elected shall serve the balance of his or her predecessor's term.

5.13 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Declaration, these By-Laws and the General Corporation Code of the State of Kansas including, without limitation, the following powers and duties:

- (a) To procure insurance as provided for in the Declaration;
- (b) To engage the services of a manager or managing agent to assist the Association in performing and providing such services as the Association is required to provide to its members under the Declaration;
- (c) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;
- (d) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the common area property for which the Association is responsible under the Declaration and these By-Laws;
- (e) To estimate and provide each Owner with an annual budget showing Common Expenses as provided for in the Declaration;
- (f) To set, give notice of, and collect assessments from the Owners as provided in the Declaration;
- (g) To pay the Common Expenses;
- (h) To adopt rules and regulations as provided in the Declaration;
- (i) To delegate the exercise of its powers to committees appointed pursuant to Sections 7.01 and 7.02 of these By-Laws;
- (j) To own, convey, encumber, lease or otherwise deal with lots or other real property conveyed to or purchased by the Association;
- (k) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Association and the common area property.

ARTICLE VI
Officers

6.01 **OFFICERS:** The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at such annual meeting of the Board and shall hold office at the discretion of the Board. Officers may succeed themselves. The President, Secretary and Treasurer shall be Directors and all other officers may, but need not be, Directors.

6.02 **VACANCY OF OFFICE:** Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

6.03 **POWERS OF OFFICERS:** The respective officers of the Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of a Kansas not-for-profit corporation, including without limitation, the following:

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws, as provided for in the Act, the Declaration and these By-Laws;

(b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;

(c) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the Association Seal and have charge of such other books, papers and documents as the Board may prescribe, and shall be responsible for giving and receiving all notices to be given to or by the Association under the Act, the Declaration or these By-Laws;

(d) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of accounts kept for such purpose.

6.04 **OFFICERS' COMPENSATION:** The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Members.

ARTICLE VII
Architectural Review Board/Committees Designated by the Board

7.01 **ARCHITECTURAL REVIEW BOARD:** The Association shall have an Architectural Review Board ("ARB") which shall consist of not less than two (2) and no more

than four (4) members. The Developer is granted the exclusive authority to appoint members to the ARB until the Turnover Date. Following the Turnover Date, the control of the ARB shall be turned over to the Association. From the time of the Turnover Date and thereafter, all members of the ARB shall be elected by the Association for terms of one (1) year each. The vote of a majority of the members of the ARB shall constitute the action of the ARB on any manner before it. The ARB shall exercise its best judgment to ensure that all buildings and improvements conform and harmonize with the existing structures as to external design, quality, type of construction, site location, heights, grade and finished ground elevation. Neither the ARB nor any member, employee or agent thereof shall be liable to any owner or tenant or to anyone submitting request for approval, or to any other party by reason of mistaken judgment, negligence or nonfeasance, arising out of, or in connection with, the approval, disapproval or failure to approve any such request, or for any other action in connection with its or their duties hereunder. Likewise, when anyone becomes an owner of a lot in the Development, and anyone so submitting request to the ARB for approval, by becoming an owner or submitting such request, agrees that they will not bring an action or seek to recover damages against the ARB or any member, employee or agent of said board.

7.02 BOARD COMMITTEES: In addition to the ARB, the Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.03 SPECIAL COMMITTEE: Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be owners and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

7.04 TERM: Each member of a committee shall continue as such until the next annual meeting of the Board and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.05 CHAIRMAN: One member of each committee shall be appointed chairman.

7.06 VACANCIES: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.07 QUORUM: Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the

committee.

7.08 RULES: Each committee may adopt rules for its own government not inconsistent with the Declaration, these By-Laws or with rules adopted by the Board.

ARTICLE VIII
Indemnification

8.01 INDEMNIFICATION GENERALLY: The Association shall indemnify the Developer, any Director, officer, committee member, 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, committee member, 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.

8.02 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, committee member, 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.

8.03 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, 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.

8.04 STANDARDS FOR DISCRETIONARY INDEMNIFICATION: Any indemnification of an Indemnified Person by the Association pursuant to Section 1 or 2 of this Article, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Indemnified Person is proper in the circumstances because the Indemnified Person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, should a quorum of disinterested Directors so direct, by independent legal counsel in a written opinion, or (c) by vote of a majority of the voting power of the Association.

8.05 ADVANCES OF EXPENSES: Expenses incurred by an Indemnified Person in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it is ultimately determined that the Indemnified Person is not entitled to be indemnified by the Association as authorized in this Article.

8.06 OTHER RIGHTS OF INDEMNIFIED PERSON: The indemnification and Advancement of expenses provided by, or granted pursuant to, the other sections of this Article shall not be deemed exclusive of any other rights to which an Indemnified Person seeking indemnification or advancement of expenses may be entitled under the Association Declaration, by any agreement, vote of the Members or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

8.07 INSURANCE: The Association may purchase and maintain insurance on behalf of any Indemnified Person, including the Developer or any person who is or was a Director, committee member, 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 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.

8.08 DEFINITION OF ASSOCIATION: For purposes of this Article, references to "the Association" shall include, in addition to any board or committee, any constituent corporation, or other board or committee of a constituent absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another

corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article with respect to the resulting or surviving corporation as the Indemnified Person would have with respect to such constituent corporation if its separate existence had continued.

8.09 DEFINITION OF OTHER ENTERPRISES: For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include, without limitation any civil money penalties imposed by any governmental agency and any excise taxes assessed on a person with respect to any employee benefit plan; and references to serving at the request of the Association shall include any services as a Director, officer, committee member, employee or agent of the Association which imposes duties on, or involves services by, the Indemnified Person with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner the Indemnified Person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Association" as referred to in this Article.

8.10 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, committee member, employee or agent and shall inure to the benefit of the Indemnified Person's heirs, executors and administrators, unless otherwise provided by provision of 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 IX

Instruments, Checks, Deposits and Funds

9.01 EXECUTION OF INSTRUMENTS: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument (including amendments to the Declaration or these By-Laws which must be executed by the Association) in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

9.02 PAYMENTS: All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall

from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

9.03 BANK ACCOUNTS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board shall elect.

9.04 SPECIAL RECEIPTS: The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE X **Fiscal Management**

10.01 FISCAL YEAR: The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of incorporation, and shall end on the last day of December of such year.

10.02 ANNUAL STATEMENTS: Within a reasonable time after the close of each fiscal year, the Board shall furnish each owner with a statement of the income and disbursements of the Association for such fiscal year, including, without limitation, a statement of the net excess or deficit of income with respect to expenditures for Common Expenses.

10.03 ASSESSMENT PROCEDURE: Regular assessments and special assessments shall be made and collected as provided in the Declaration, and all such assessment provisions in the Declaration are incorporated herein by reference.

10.04 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.

ARTICLE XI **Books and Records**

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his agent, mortgagee or attorney, for any proper purpose at any reasonable time. Upon 10 days notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE XII

Seal

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the names of the Association and the words "Corporate Seal, Kansas."

ARTICLE XIII

Amendments

These By-Laws may be altered, amended, or repealed or new By-Laws may be adopted upon approval of not less than a majority of the Board of Directors; no amendment shall be contrary to or supersede the provisions of the Declaration and the Articles of Incorporation.

ARTICLE XIV

Miscellaneous

14.01 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 By-Laws.

14.02 CONFLICT WITH ASSOCIATION DECLARATION: These By-Laws are intended to be construed and interpreted in a manner consistent with the Association Declaration; however, if such consistency is not possible through reasonable construction and interpretation of these By-Laws, the provisions of the Association Declaration shall control. Any right, power, authority, discretion, or obligation granted, authorized, or imposed by the provisions of the Association 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 By-Laws.

CERTIFICATION

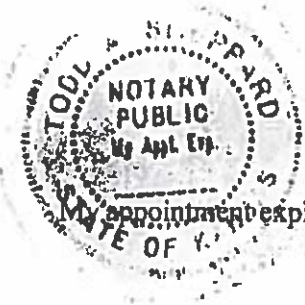
I, Angela R. Schultz, Secretary of the Heritage Square South Association hereby certify that the above and foregoing is a true and complete copy of the By-Laws of the Heritage Square South Association, pertaining to the real estate described on Exhibit "A" attached hereto, as adopted by the Directors as of the 20 day of February, 2013.


Secretary

STATE OF KANSAS, COUNTY OF RILEY, ss:

BE IT REMEMBERED that on this 20th day of February, 2013, before me the undersigned a Notary Public in and for the county and state aforesaid, came Angela R. Schultz, Secretary of Heritage Square South Association, said person being known to me to be the party who signed the foregoing By-Laws and said person acknowledged the execution of the same as her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year above written.



My appointment expires: 8-2-2013

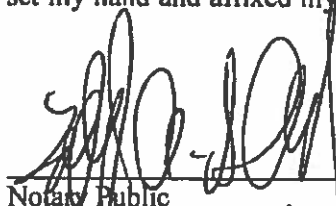

Notary Public
Todd A. Shepard

Exhibit "A"

Lots 1 through 10 inclusive, in Heritage Square South, an Addition to the City of Manhattan,
Pottawatomie County, Kansas.

**ORIGINAL
COMPARED WITH RECORD**



Betty Jo Abitz-Register of Deeds
Pottawatomie County, Kansas

Book: 651 Page: 40

Receipt #: 84837
Pages Recorded: 15

Recording Fee: \$64.00
Authorized By *Betty Jo Abitz*

Date Recorded: 4/5/2013 10:19:45 AM

Book 651 Page 40