

AMENDED BY-LAWS of the GREY OAKS HOMES ASSOCIATION

Article I DEFINITIONS

“Active” means a member of the Board who has been duly elected or appointed as provided in these By-Laws and is listed by the Secretary on the official record of the members of the Board.

“Assessable” means subject to real property taxation by Johnson County, Kansas.

“Association” means the Grey Oaks Homes Association, a Kansas not-for-profit corporation.

“Board” means the Board of Directors of the Association.

“By-Laws” means this document.

“Closed Session” means a meeting of the members of the Board at which only the members of the Board, or others it specifically requests to attend, may be present.

“Developer” means Rodrock Homes, Inc., a Kansas corporation, its successors and assigns.

“Grey Oaks” means all of the land described on Exhibit A of the Declaration.

“Declaration” means the Declaration of Restrictions for Grey Oaks as filed by the Johnson County, Kansas, Register of Deeds in Book 8673 at Page 421, and any amendments thereto.

“Homes Association Declaration” means the Homes Association Declaration for Grey Oaks as filed by the Johnson County, Kansas, Register of Deeds in Book 8673 at Page 436 and any amendments thereto.

“Majority” means more than 50%.

“Member” means a property owner within Grey Oaks.

“Official Action” means a vote of the members of the Board to effect the business of the Association.

“Officers” means the President, Vice President(s), Treasurer and Secretary of the Association.

“President” means the duly-elected president of the Association.

“Proxy” means a dated, written statement of direction, executed by the Member and attested to by the Secretary.

“Rules” means the Rules and Procedures of the Grey Oaks Board of Directors as adopted and amended, from time to time, by the Board.

“Secretary” means the duly-elected secretary of the Association.

“Treasurer” means the duly-elected treasurer of the Association.

“Vice President” means a duly-elected vice-president of the Association.

Article II

MEETING OF MEMBERS

Section 201. ANNUAL MEETING. An annual meeting of the Members shall be held at the registered office of the Corporation, in Overland Park, Johnson County, Kansas, at 7:30 p.m. on the first Monday of February of each year, or at such other place in Johnson County, Kansas, as the Board may determine. Fifteen (15) days prior to the annual meeting, the Secretary shall serve, personally or by mail, a written notice thereof, addressed to each Member at his or her address as it appears on the records of the Association.

Section 202. QUORUM. A quorum is the minimum number of participants necessary in order to transact business. A quorum is:

- (a) At any regular or special meeting where the Board meets in person or by telephone, a Majority of the Active members of the Board; or
- (b) By electronic meeting, not less than two-thirds of the Active members of the Board.
- (c) At any regular or special meeting of the Board for which a quorum is not present, not less than two (2) members of the Board may act to adjourn the meeting to a time-specific, not more than five (5) days hence.
- (d) At any regular or special meeting of the Members, not less than ten (10) percent of the Members.

Section 203. REGULAR MEETINGS. The Board will schedule and hold regular meetings to transact the business of the Association. Unless modified by the Rules, the Board will meet at least quarterly in person or by telephone. The President shall set the agenda for each regular meeting, however, the Board may amend such agenda pursuant to its Rules. All regular meetings of the Board will be open to the Members, except for business conducted in Closed Session as provided in the Rules. Proxy votes are not permitted at regular meetings.

Section 204. SPECIAL MEETINGS.

- (a) Special meetings of the Board other than those regulated by statute, may be called at any time by the President or by a Majority of the Active members of the Board. Notice of such meeting stating the purpose for which it is called shall be served personally to each Active member of the Board by mail or electronic mail, not less than three (3) days before the day set for such meeting. If mailed, it shall be directed to an Active member of the Board at his or her address as maintained by the Secretary. No business other than that specified in the call for the meeting shall be transacted at any special meeting of the Board.
- (b) The Board shall also, in like manner but with notice served in person or by mail to each Member no less than ten (10) days before the day set for such meeting, call a special meeting of Members whenever so requested in writing by a Majority of the Members of the Association. No business other than that specified in the call for the meeting shall be transacted at any special meeting of the Members.
- (c) Proxy votes are permitted at special meetings.

Section 205. ELECTRONIC MEETING. At the discretion of the President, in order to facilitate the efficient prosecution of the Association's business, the Board may take action on items from time to time via electronic mail, facsimile or similar mechanism subject to the requirements of Section 202(b). The results of electronic meetings shall be maintained by the Secretary and included in the minutes of the next succeeding regular or special meeting of the Board. Proxy votes are not permitted at electronic meetings.

Section 206. CLOSED SESSION. A Closed Session may be called at any Regular or Special Meeting of the Board. The method by which Closed Session may be held is established by the Rules. The Board may not take Official Action in any Closed Session.

Section 207. VOTING.

- (a) At all meetings of the Board, the manner of deciding which is not otherwise specifically enumerated in these By-Laws shall be determined by a Majority vote, subject to the requirements of Section 202. Each member of the Board shall be entitled to cast one (1) vote. Votes of the Board may be taken by voice, written ballot or secret ballot, as permitted by its Rules.
- (b) At all meetings of the Members, all questions, the manner of deciding which is not otherwise specifically enumerated in these By-Laws or in the Declaration, shall be determined by a Majority vote, subject to the requirements of Section 202. Each Member shall be entitled to cast one (1) vote for each Assessable lot or tract owned by him within Grey Oaks; provided, however, that the Developer shall have twenty (20) votes for each lot owned by it. All voting shall be by written ballot, each of which shall state the name of the Member voting and the number of Assessable lots or tracts within Grey Oaks owned by the Member.

Section 208. ORDER OF BUSINESS. The order of business at meetings of the Members shall be established by the President.

Article III DIRECTORS

Section 301. NUMBER. The affairs and business of the Association shall be managed by a Board comprised of not less than three (3) and not more than nine (9) Members as determined by the Rules.

Section 302. HOW ELECTED. At the annual meeting of the Members, Members may nominate candidates for participation as members of the Board. Once such nomination period has been closed by the President, the Secretary shall administer a written ballot. Subsequent to certification of the results of the vote by the Secretary, Members receiving votes in sequence from highest to lowest shall be appointed to fill any open seats on the Board.

Section 303. TERM OF OFFICE.

- (a) Except for the Directors elected at the first annual meeting of the Members, the term of office of each of the Directors shall be two years beginning the day after the meeting at which the vote occurs and terminating on the date of the second succeeding annual meeting as provided in Section 201.
- (b) First Annual Meeting
 1. If seven or more Members are elected to the Board then the Directors shall be divided into two Classes as follows:
 - i. The five Members receiving the highest quantity of votes shall be in the first Class.
 - ii. The remaining Members shall be in the second class.
 2. If six or less Members are elected to the Board then the Directors shall be divided as equally as may be into two Classes as follows:
 - i. Those Members receiving the highest quantity of votes shall be in the first Class.
 - ii. The remaining Members shall be in the second Class.
 - iii. In the event of an odd number of Directors, the first Class shall have the greater number of Directors.
 3. Those in the first Class shall have a term of office two years beginning the day after the meeting at which the vote occurs and terminating on the date of the second succeeding annual meeting as provided in Section 201.
 4. Those in the second Class shall have a term of office one year beginning the day after the meeting at which the vote occurs and terminating on the date of the succeeding annual meeting as provided in Section 201.
- (c) Minimum Quantity of Directors
 1. At no time shall the Board consist of less than three Directors.

2. Notwithstanding Section 303(a) and Section 303(b), in the event that election of Directors at the annual meeting of the Members not produce a Board consisting of three or more Directors, then Director's of the Board prior to the annual meeting shall serve until an election of Directors at the annual meeting produces a Board consisting of three or more Directors. In the event that this requirement result in a Board of greater then nine Directors, then Directors shall be released from service by lottery as required to reduce the quantity of Directors to nine. Directors elected at the most recent annual meeting shall be exempt from the lottery.
- (d) There is no limit to the number of terms a Member may serve on the Board, subject to election as provided in Section 302.

Section 304. DUTIES OF DIRECTORS. The Board shall have the control and general management of the affairs and business of the Association. The members shall in all cases act as a Board and they may adopt their Rules for the conduct of their meetings and the management of the Association as they may deem proper, not inconsistent with these By-Laws and the laws of the State of Kansas, the Declaration, the Homes Association Declaration, or other controlling documents. The members of the Board shall have the duty and obligation to determine and cause to be determined and levied on or before July 1 of each calendar year, the annual assessment as authorized by Section 7 of the Homes Association Declaration.

Section 305. REMOVAL OF MEMBERS OF THE BOARD. Any one or more of the members of the Board may be removed either with or without cause, at any time, by a three-quarters vote of the entire Board, at any special meeting called for the purpose.

Section 306. REPLACEMENT OF MEMBERS OF THE BOARD. A vacancy on the Board arising from the removal or resignation of an Active member of the Board may be filled at the discretion of the Board through an appointment of a Member subject to Majority vote of the Board at any regular meeting or special meeting called for such purpose. To the extent the size of the Board after such vacancy occurs is consistent with Section 301, the Board at its discretion may choose to leave open a vacant seat until the next succeeding annual meeting.

Article IV OFFICERS

Section 401. NUMBER. The Officers of the Association shall be:

1. President
2. One or more Vice Presidents (optional)
3. Secretary
4. Treasurer

Section 402. ELECTION. All Officers shall be elected annually by the Board at its first regular meeting held immediately after the annual meeting of the Members, and shall hold office for terms established by the Rules.

Section 403. DUTIES OF OFFICERS. The duties and powers of the Officers include:

PRESIDENT

The President shall preside at all meetings of the Board and the Members.

He or she shall present at each annual meeting of the Members a report of the conditions of the business of the Association.

He or she shall cause to be called regular and special meetings of the Members and the Board in accordance with these By-Laws.

He or she shall appoint and remove, employ and discharge and fix the compensation of all servants, agents, employees and clerks of the Association other than the duly elected Officers, subject to the approval of the Board.

He or she shall sign and make all deeds, contracts and agreements in the name of the Association.

He or she shall sign all notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn by the Treasurer.

He or she shall enforce the aforementioned Homes Association Declaration and these By-Laws and perform all the duties incident to the position and office, and which are required by law.

VICE PRESIDENT

During the absence and inability of the President to render and perform his or her duties or exercise his or her powers, as set forth in these By-Laws or in the acts under which this Association is organized, the same, including the execution of deeds of the Association, shall be performed and exercised by the Vice President, successively in the order named (i.e., First Vice President, Second Vice President, etc.); and when so acting, he or she shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the President.

SECRETARY

The Secretary shall keep the minutes of the meetings of the Board and of the Members in appropriate books.

He or she shall give and serve all notices of the Association.

He or she shall be custodian of the records and of the seal, and affix the latter when required.

He or she shall keep accurate records reflecting the Members, alphabetically arranged or otherwise systematically organized, their respective places of residence, their post-office addresses, the number of lots or tracts owned by each, and the time at which each Member became such owner; and keep such records, subject to the inspection of any Member, and permit such Member to make extracts from said books to the extent and as prescribed by law.

He or she shall present to the Board at its regular meetings all communications addressed to him or her officially by the President or any Officer or Member.

He or she shall attend to all correspondence and perform all the duties incident to the office of Secretary.

He or she shall keep an official record of the Active members of the Board.

TREASURER

The Treasurer shall have the care and custody of and be responsible for all the funds and securities of the Association, and deposit all such funds in the name of the Association in such bank or banks, savings and loans, trust company or trust companies or safe deposit vaults as the Board may designate.

He or she shall sign, make and endorse in the name of the Association, all checks, drafts, warrants and orders for the payment of money, and pay out and dispose of same and receipt therefore, under the direction of the President or the Board.

He or she shall exhibit at all reasonable times his or her books and accounts to any Member upon application at the office of the Association during business hours.

He or she shall render a statement of the condition of the finances of the Association at each regular meeting of the Board, and at such other times as shall be required of him or her, and a full financial report at the annual meeting of the Members.

He or she shall keep at the office of the Association, correct books of account of all its business and transactions and other such books of account as the Board may require.

He or she shall notify Members of their annual assessment as levied by the Board, and under direction of the Board, effect collection of same.

He or she shall do and perform all duties pertaining to the office of Treasurer.

Section 404. BOND. The Treasurer shall, if required by the Board, give to the Association, at the Association's cost, such security for the faithful discharge of his or her duties as the Board may direct.

Section 405. VACANCIES, HOW FILLED. All vacancies in any office shall be filled by the Board without undue delay, at a regular meeting, or at a special meeting specifically called for that purpose.

Section 406. COMPENSATION OF OFFICERS. The officers shall receive such salary or compensation as may be determined by the Board of Directors.

Section 407. REMOVAL OF OFFICERS. The Board may remove any Officer by a two-thirds vote of the entire Board, with or without cause.

Article V BILLS, NOTES, ETC.

Section 501. HOW MADE. All bills payable, notes, checks or other negotiable instruments of the Association shall be made in the name of the Association, and shall be signed by the President and countersigned by the Treasurer. No Officer or agent of the Association either singly or jointly with others, shall have the power to make any bill payable, note, check, draft or warrant or other negotiable instrument, or endorse the same in the name of the Association, or contract or cause to be contracted any debt or liability in the name or on behalf of the Association, except as herein expressly prescribed and provided and approved by Official Action of the Board.

Article VI FISCAL YEAR.

Section 601. FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

Article VII INDEMNIFICATION

Section 701. INDEMNIFICATION OF MEMBERS OF THE BOARD. When a person is sued or prosecuted in a criminal action, either alone or with others, because he is or was a member or Officer of the Board, or of another corporation or entity serving at the request of the Association, in any proceeding arising out of his alleged misfeasance or nonfeasance in the performance of his duties or with others, because he is or was a member or Officer of the Board, or of another corporation or entity serving at the request of the Association, in any proceeding arising out of any alleged wrongful act against the Association or by the Association, he or she shall be indemnified for his or her reasonable expenses, including attorney's fees incurred in the defense of the proceedings, if both of the following conditions exist:

(a) The person sued is successful in whole or in part, or the proceeding against him is settled with the approval of the court.

(b) The court finds that his conduct fairly and equitably merits such indemnity.

The amount of such indemnity which may be assigned against the Association, its receiver, or its trustee, by the court in the same or in a separate proceeding shall be so much of the expenses, including attorneys' fees incurred in the defense of the proceedings, as the court determined and finds to be reasonable. Application for such indemnity may be made either by the person sued or by the attorney or other person rendering services to him in connection with the defense, and the court may order the fee and expenses to be paid directly to the attorney or other person, although such attorney or other person is not a party to the proceeding. Notice of the application for such indemnity shall be served upon the Association, its receiver, or its trustee, and upon the plaintiff and other parties to the proceedings. The court may order notice to be given also to the Members in the manner provided in Section 201 for giving notice of Members' meetings, in such form as the Court directs.

Section 702. INSURANCE. The Association, at all times and at its cost, shall carry appropriate levels (as determined from time to time by the Board) of Directors and Officers' Liability Insurance, or its equivalent, protecting the members and Officers of the Board from legal actions arising from their prosecution of the business of the Association.

Article VIII AMENDMENTS

Section 801. HOW AMENDED. These By-Laws may be altered, amended, repealed or added to by two-thirds vote of the entire Board at any regular meeting, or at a special meeting called for such purpose.