

VILLAGE AT DEERCREEK HOMEOWNERS ASSOCIATION

BYLAWS

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VILLAGE AT DEER CREEK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I OFFICES

1.1 Name. The name of the corporation is Village at Deer Creek Homeowners Association, Inc. It is incorporated under the laws of the State of Kansas as a not-for-profit, non-stock corporation. The corporation is the homes association referenced in the Declaration (as defined below).

1.2 Location. The principal office of the corporation shall be located in Overland Park, Kansas, but meetings of members and directors may be held at such other places in Johnson County, Kansas as may be designated by the Board of Directors from time to time.

1.3 Purposes. The Association has the following purposes and objectives;

 (a) To hold, manage, regulate and maintain certain portions of the Property for the benefit of the owners of the Units in accordance with applicable law, the Declaration and these Bylaws;

 (b) To set and collect Annual Assessments, special Assessments and certain use fees and other fees and charges as may be determined from time to time by the Executive Board;

 (c) To provide that Members with voting rights concerning the administration of the Association affairs;

 (d) To represent the interests of the Members as the Executive Board determined to be necessary before all federal, State or local agencies, boards and commissions involved with environmental, land use and other matters; and

 (e) Any purpose which may be necessary to further the interest of the Association.

ARTICLE II DEFINITIONS

2.1 Association shall mean Village at Deer Creek Homeowners Association, Inc, its successors and assigns.

2.2 Subdivision shall mean all of the property which is now or hereafter within the jurisdiction of the Association as provided in the Declaration.

2.3 Common Areas shall have the meaning set forth in the Declaration.

2.4 Unit shall have the meaning set forth in the Declaration.

2.5 Unit owner shall have the meaning set forth in the Declaration.

2.6 Developer shall mean the "Declarant" (or its assignee) under the Declaration.

2.7 Declaration shall mean, collectively, (i) Declaration of Covenants, Restrictions, Assessments and Easements of Village at Deer Creek Homeowners Association, Inc. recorded in Book 6380 at Page 861 in the Office of the Register of Deeds of Johnson County, Kansas (the Register's Office), as such may be amended and supplemented from time to time; and (ii) any additional declarations as may be recorded from time to time with the Register's Office which relate to the subdivision commonly known as "Village at Deer Creek Homeowners Association, Inc."

ARTICLE III MEMBERSHIP

3.1 Membership Generally. Membership in the Association shall be limited to persons or entities who are the owners of the fee interest in any Unit which is now or hereafter within the jurisdiction of the Association. Persons or entities (other than a contract seller) who hold an interest merely as security for the performance of an obligation shall not be members. Membership shall be appurtenant to and may not be separated from ownership of a Unit.

3.2 Transfer of Membership. The Association membership of each Owner shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to the Unit and then only to the transferee of title to that Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. The interest of an Owner in the assets of the Association cannot be assigned, hypothecated or transferred in any manner except as appurtenant to the Unit.

3.3 Suspension of Membership. During any period in which a member shall be delinquent in the payment of any assessment levied by the Association as provided in the Declaration, the voting rights of such member and rights of a member to receive services provided by the Association and the right to use any Common Areas in or available to the Subdivision (other than streets) shall be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended by the Board of Directors, after notice and hearing, for a period not to exceed 90 days, for violation of any of the rules and regulations established by the Board of Directors governing the use of the Common Areas in or available to the Subdivision.

3.4 Communication Among Members. The Board shall establish a reasonable method for Members to communicate among themselves and with the Board on matters concerning the Association.

ARTICLE IV VOTING RIGHTS

4.1 Voting. Each member shall have one vote for each Unit in which he or she holds the interest required for membership; provided, however, when more than one person holds such interest or interests in any Unit, all such persons shall be members, and one vote for such Unit shall be exercised as they, among themselves, shall determine, but in no event shall more than one vote be cast with respect to any such Unit.

4.2 Representatives. Where a Unit is owned by a corporation, partnership or other entity, such entity shall designate a person who is entitled to vote respecting such Unit and to serve, if elected or appointed, as a director of the Association. Such designation shall be made by filing a written instrument to that effect with the Association.

4.3 Split Votes Not Allowed. The vote for each Unit may be cast only as a whole, and split votes shall not be allowed. If the Owner of Record casts a vote representing a Unit, it will be conclusively presumed for all purposes that he or she were acting with the authority and consent of all other Owners of that Unit. The Association shall only be required to accept the vote cast by the Owner of Record.

ARTICLE V USE OF COMMON AREAS

5.1 Common Areas. The Unit owners within the Subdivision shall have the non-exclusive right to the use of all Common Areas to the extent not located on any Unit.

5.2 Rules and Regulations. The Association shall have the right and the power to make reasonable rules and regulations which shall govern the use of the Common Areas.

ARTICLE VI BOARD OF DIRECTORS

6.1 Number. The affairs of the Association shall be managed by a Board of Directors composed of five to seven directors. The terms of Directors shall be staggered. Directors shall divide into groups for the purpose of initiating a staggered election of the Board of Directors. At the annual meeting to elect directors for the positions with terms expiring in that year, each individual elected as a director shall serve for a term of three years.

6.2 Qualification. Each director must be and remain a member or spouse of a member of the Association in good standing in order to be elected and remain as a director.

6.3 Removal and Vacancies. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the members of the Association entitled to vote. In the event of death, resignation or removal of a director, his or her successor shall be selected by the

remaining members of the Board of Directors and shall serve for the unexpired term of his or her predecessor.

6.4 Compensation. No director shall receive compensation for the service he or she may render to the Association as a director. However, any director may be reimbursed for his or her reasonable out-of-pocket expenses incurred in the performance of his or her duties.

ARTICLE VII MEETING OF DIRECTORS

7.1 Annual Meetings. Annual meetings of the Board of Directors shall be held within 15 days following the annual meeting of the members at such place as may be fixed by the Board.

7.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and time as may be fixed from time to time by the Board. Unless the meeting is either an emergency or in a schedule previously given to owners, written notice of the place, day and hour of meetings shall be given to all owners as required by Kansas law (five days notice for regular meeting; ten days notice for budget approval meetings).

7.3 Special Meetings. Special meetings of the Board of Directors shall be held at such place and time as may be specified by and when called by the president of the Association or by any director.

7.4 Notice of Special Meetings. Written or printed notice stating the place, day and hour of a special meeting and the purpose or purposes for which the meeting is called, shall be delivered to each director not less than five days before the date of the special meeting, either personally or by mail, by or at the direction of the person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Association, with postage thereon prepaid. 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.

7.5 Quorum. Unless otherwise required by law, a majority of the total number of directors shall constitute a quorum for the transaction of business. Except as otherwise required by law or as provided in Article XVI hereof, every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

7.6 Adjournment. If a quorum shall not be present at any such meeting, the directors present shall have the power successively to adjourn the meeting, without notice other than announcement at the meeting, to a specified date. At any such adjourned meeting at which a quorum shall be present any business may be transacted which could have been transacted at the original session of the meeting.

7.7 Meetings by Conference Telephone or Similar Communications Equipment. Members of the Board of 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 whereby 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.

7.8 Action Taken Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

(a) The Board may hold executive sessions in a regular or special meeting from which others are excluded by affirmative vote of two-thirds of the members of the Board present at a meeting. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter shall be considered in the executive session. No formal or binding action may be taken in executive session. An executive session may be held only to:

- (i) consult with the Association's lawyers concerning legal matters;
- (ii) discuss existing or potential litigation or mediation, arbitration or administrative proceedings;
- (iii) discuss labor or personnel matters;
- (iv) discuss contracts, leases and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or
- (v) prevent public knowledge of the matter to be discussed if the Executive Board determines that public knowledge would violate the privacy of any person.

(b) Each meeting of the Board (except executive sessions) shall be open to Members in good standing, but Members may not participate unless permission is requested by a Director and approved by the Board. The President may limit the number of individuals who are allowed to speak and set a limit on the amount of time and frequency an individual may speak. A portion of time before, after or during the meeting shall be allocated to public comments from owners.

7.9 Discretion of Board. The Board may determine whether to take enforcement action by exercising the Association's powers to impose sanctions or commence an action for a violation of the Declaration, these Bylaws and Rules, including whether to compromise any claim for unpaid Assessments or other claims made by or against it. The Board shall not have a duty to take enforcement action if it determines that, under the facts and circumstances presented,

- (a) the Association's legal position does not justify taking any or further enforcement action;
- (b) the covenant, restriction or Rule being enforced is, or is likely to be, construed as inconsistent with law;
- (c) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- (d) it is not in the Association's best interest to pursue an enforcement action.

The Board's decision not to pursue enforcement under one set of circumstances shall not prevent the Board from taking enforcement under set of circumstances, but the Board shall not be arbitrary or capricious in taking enforcement action.

7.10 Adoption, Amendment or Repeal of Rules. Every Rule adopted by the Board shall be reasonable. Prior to adopting, amending or repealing any Rule, the Board shall give to all Owners notice of:

- (a) its intention to adopt, amend or repeal a Rule and provide the extent of the Rule or proposed change; and
- (b) the date on which the Board will act on the proposed Rule or amendment after considering comments from Owners.

Following adoption, amendment or repeal of a Rule, the Association shall give notice to the Owners and provide a copy of any new or revised Rule.

7.11 Minutes of Meetings. A copy of the written minutes of any meeting of the Board shall be made available at the office of the Association to all Members within 60 days after the adjournment of such meeting. Upon written request by a Member to the Board requesting a copy of the written minutes and specifying the date of the meeting, the minutes of such meeting shall be mailed to the requesting Member on or after the day the written minutes are available at the Association's office. A copy of the written minutes of any meeting of the Board shall be made available at the office of the Association to all Members within 60 days after the adjournment of such meeting. Upon written request by a Member to the Board requesting a copy of the written minutes and specifying the date of the meeting, the minutes of such meeting shall be mailed to the

requesting Member on or after the day the written minutes are available at the Association's office.

ARTICLE VIII NOMINATION AND ELECTION OF DIRECTORS

8.1 Nomination. Nomination for election to the Board of Directors maybe made in writing by any member delivered to the secretary of the Association in advance of the annual meeting or from the floor at the annual meeting of the members.

8.2 Election. Election to the Board of Directors shall be by written ballot. At any such election, the members entitled to vote or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article IV hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

8.3 Commencement of Term of Office. A director shall be deemed elected at the time of his or her election, but he or she shall not be deemed to have commenced his or her term of office or to have any of the powers or responsibilities of a director until the time he accepts the office of director either by a written acceptance or by participating in the affairs of the Association at a meeting of the Board of Directors.

ARTICLE IX POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the power to:

9.1 Scope. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

9.2 Rules and Regulations. Adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; provided, however, that the Board of Directors may not, in any event, revoke, limit, restrict, or suspend in any way, the right of any Unit owner to use and enjoy any street for ingress and egress.

9.3 Employment. Employ (and contract with for such periods of time and on such terms as may be deemed appropriate) agents, independent contractors, managers and employees, and to prescribe their duties and responsibilities.

9.4 Records and Reports. Cause to be kept a complete record of all its acts and of the corporate affairs of the Association and to present reports thereof to the members.

9.5 Supervision. Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

9.6 Assessments. As more fully provided in the Declaration, provide for the levying of assessments against each Unit and take all actions necessary or appropriate to collect the same.

9.7 Certificates. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not an assessment has been paid. A reasonable charge may be made by the Association for the issuance of these certificates.

9.8 Insurance. Procure and maintain public liability insurance, fire and extended coverage hazard insurance and other insurance on property owned or controlled by the Association and maintain officer's and director's liability insurance, all with such coverage and in such sums as may be deemed appropriate by the Board of Directors.

9.9 Bonding. Cause property managers, officers or employees having fiscal responsibility to be bonded, as the Board of Directors may deem appropriate.

9.10 Maintenance. Cause the Common Areas and other areas to be maintained as provided in the Declaration.

9.11 Committees. Any such committee shall be composed of at least one director and any other individuals as the Board of Directors shall designate. Not all members of a committee need be directors unless otherwise provided in the Declaration, Articles of Incorporation or by law. A quorum of any committee so designated by the Board of Directors shall not consist of less than one-half of the total number of members appointed to such committee. The Board may designate one or more individuals as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee

9.12 Indebtedness of Association. Unless otherwise prohibited by the Declaration the Association may borrow money and incur indebtedness for purposes of the Association and cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; provided, however, that the repayment of any such indebtedness shall not be or become the personal obligation of any Unit owner or any director.

9.13 Performance. Perform all acts and do all things required or permitted to be done by the Association by the Declaration or otherwise; and perform all acts and do all things permitted or required of a Board of Directors of a not-for-profit corporation under the laws of the State of Kansas.

9.14 General Authority. The Board shall be responsible for conducting the affairs of the Association and shall be authorized to exercise all rights and powers of the Association and to do all acts and things on behalf of the Association except those as to which the Governing Documents or Kansas law specifically require to be done or approved by the Voting Members or the

membership generally. The Board shall have all powers necessary for the administration of the Association's affairs.

9.15 Duties. Duties of the Board shall include, without limitation:

- (i) preparing and adopting, in accordance with the Declaration an annual budget establishing each Owner's share of the Common Expenses and any Service Area Expenses;
- (ii) levying and collecting such assessments from the Owners;
- (iii) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility consistent with the Community-Wide Standard;
- (iv) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (v) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's best judgment, in depositories other than banks;
- (vi) making and amending use restrictions and rules in accordance with the Declaration;
- (vii) opening bank accounts on behalf of the Association and designating the signatories required;
- (viii) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;
- (ix) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the provided in the Declaration;
- (x) obtaining and carrying property and liability insurance and fidelity bonds as provided in the Declaration, paying the cost thereof, and filing and

adjusting claims, as appropriate;

- (xi) paying the cost of all services rendered to the Association;
- (xii) keeping books with detailed accounts of the Association's receipts and expenditures;
- (xiii) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in these Bylaws.
- (xiv) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;
- (xv) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Kansas law, the Articles of Incorporation or the Declaration; and
- (xvi) assisting in the resolution of disputes between owners and others without litigation.

(d) Board Standards. The actions of the Board in conducting the Association's business affairs shall be evaluated and governed under the business judgment rule. The business judgment rule protects a director from personal liability so long as the party claiming liability does not prove that the director failed to: (i) serve in a manner the director believes to be in the best interests of the Association and the Members; (ii) serve in good faith; or (iii) act with such care as an ordinarily prudent person in a like position would use under similar circumstances.

ARTICLE X MEETINGS OF MEMBERS

10.1 Annual Meetings. The annual meeting of the members of the Association shall be held during the fourth quarter of each year, at such place and time as may be fixed by the Board of Directors. At the annual meeting, directors shall be elected, reports of the affairs of the Association shall be considered, and any other business within the powers of the membership may be transacted.

- (a) At each annual meeting,
 - (i) the President and Treasurer shall report on the activities and financial condition of the Association;

