

In accordance with Kansas House Bill 2472 approved to amend Kansas statutes that affect homeowner associations such as SJC, the following amendments will be made to the SJC By-Laws either by (a) addition, (b) modification, or (c) deletion. If any provision of SJC By-Laws is not in accordance with Kansas law, such provision shall be null and void. If any provision of the SJC By-Laws is acceptable under Kansas law but inconsistent with the SJC Covenants, then the provision in the SJC Covenants shall prevail.

In accordance with the above, the SJC Board of Directors, by vote in a special meeting held 03/01/2011, hereby recommend that the SJC Homeowners approve the following amendments at the SJC Annual Meeting to be held on 03/31/2011.

1. Amendment of SJC By-Laws

- a. All amendments to the SJC By-Laws shall be consistent with Kansas statutes that govern homeowner associations such as SJC.
- b. All amendments to the SJC By-Laws shall be approved by a vote taken of SJC Homeowners eligible to vote at an Annual Meeting, a Special Meeting, or via a mail-in provided that a legal quorum exists at such meeting or mail-in vote.

2. Voting

- a. Directors – the SJC By-Laws shall be amended to rescind the current provision of cumulative voting for directors and replace that provision to allow each Homeowner to cast only one vote for a director candidate.
- b. Approval Percentage – any item to be voted on by Homeowners shall be approved if more than 50% of those voting in a meeting or by mail vote to approve such proposal unless the SJC Covenants or applicable laws require a greater percentage.

3. Quorums

- a. Meetings with Homeowners – to permit the conduct of any official business, any meeting of Homeowners shall be considered official providing that a quorum of at least 20% of all those Homeowners eligible to vote are present to vote at such meeting (including those who have voted by proxy or who have delegated their proxy to be voted by the SJC Board or another person). A mail-in vote shall be considered official if at least 20% of eligible Homeowners cast their vote by mail.
- b. Board Meetings – to permit the conduct of any official business of the Board, a quorum shall require at least 50% of the active Board members to be present at such meetings.

4. Compensation of Directors – the SJC By-Laws shall be amended as follows: “The Board of Directors may receive compensation for serving as directors provided that any such compensation is approved by the Homeowners at the Annual Meeting held in March of each year.

5. Expense Allowances for Directors – the SJC By-Laws shall be amended to permit Directors to receive an expense allowance for use of (a) office space in their residence, (b) use of personal computers and printers, (3) personal supplies (printer ink, paper, and other miscellaneous supplies), and (4) use of personal telephones including cell phones.

6. Record Retention

- a. Period – all SJC records that are required to be retained by the Association pursuant to Kansas law shall be retained for a period of not less than five years from the date such record was created.
- b. Location – the SJC Corporate Secretary shall be the official custodian of all SJC records. These records may be stored in either printed or electronic format. Further, if a SJC business office is not

located anywhere within SJC, such records shall be stored in the business office unless the SJC Board determines it would be more cost efficient to store the records in another location. In the latter instance, the Secretary may then use the services of its property manager or another vendor to store such records.

- c. Availability to Homeowners – all SJC records, except those which are considered to contain information that would violate privacy laws, shall be made available for inspection by any SJC Homeowner wherever the records are stored. For a reasonable fee to cover production costs, the homeowner may obtain a printed or electronic copy of any document that is not considered “private”.

## 7. Meetings

- a. Meetings of SJC Homeowners– the SJC Board shall arrange for two Annual Meetings of the SJC Homeowners.

The first shall be held in December to discuss the next year’s budget at least 14 days prior to the effective date of any increase in the monthly dues.

The second shall be held in March following the completion of a full calendar year of SJC operations to elect Directors and conduct other SJC business.

Special Homeowner Meetings – a special meeting of the SJC Homeowners may be called by the SJC Board of Directors providing that at least 10 days notice is given to all SJC Homeowners of the meeting time and location. Special meetings may also be called by Homeowners whenever 10% of more of the Homeowners solicit the Corporate Secretary to hold such a meeting.

- b. Board Meetings –

Meetings of the SJC Board of Directors shall be held at least once per calendar quarter to review financial, legal, and operating matters of SJC and to approve any items that are required of the Board pursuant to the SJC Covenants, Kansas Law, or Federal Law.

Additional meetings of the SJC Board may be held with notice to SJC Homeowners of the time and location.

All SJC Board meetings shall be opened to any Homeowner who may want to attend. Homeowners in attendance shall be given an opportunity to ask questions or make comments at a time designated by the Board during such meeting.

- c. Meeting Notices & Agendas – whenever there is a Homeowner meeting or a Board meeting, SJC shall post a notice of such meeting on its website, or in community newsletters, or in the SJC Clubhouse at least 10 days prior nor more than 60 days prior to the meeting. Meeting agendas shall also be posted on the SJC Website using this same time frame.
- d. Meeting Rules of Order – any meeting of the Homeowners or the Board shall be conducted using rules as established by the Board, which rules may be changed from time-to-time without required approval of the Homeowners.

## 8. Financial Information

- a. Assets, Liabilities, Revenue and Expenses – this information shall be summarized by the SJC Treasurer or CFO and made available to Homeowners and quarterly Board meetings. Alternatively, such information may be posted on the SJC Website, in community newsletters or at the SJC Clubhouse.

- b. Annual Budgets – the SJC Board shall adopt an Annual Operating Budget be allocated between the Operating and Reserve Funds. This budget shall be made available at the Annual Meeting in December, and will also be posted on the SJC Website, in community newsletters or at the SJC Clubhouse.