

**COPY**

RESTATED BY-LAWS  
OF  
PRAIRIE POINT HOMEOWNERS ASSOCIATION, INC.  
PREAMBLE

These Restated By-Laws are a complete restatement of the By-Laws of Prairie Point Homeowners Association, Inc. with the intention of conforming with the Kansas Uniform Common Interest Owners Bill of Rights Act.

**ARTICLE I**

Definitions

Section 1. "ACT" shall mean the Kansas Uniform Common Interest Owners Bill of Rights Act.

Section 2. "ASSOCIATION" shall mean and refer to Prairie Point Homeowners Association, Inc., a not-for-profit corporation organized and existing under the laws of the state of Kansas.

Section 3. "ARTICLES OF INCORPORATION" shall mean the Articles of Incorporation of Prairie Point Homes Association, Inc. as such Articles of Incorporation may from time to time be amended.

Section 4. "BY-LAWS" shall mean the By-Laws of Prairie Point Homes Association, Inc., as restated herein and as from time to time amended.

Section 5. "DECLARATION" shall mean the Amended and Restated Declaration of Prairie Point (formerly Camelot Reserve) filed for record on \_\_\_\_\_, 2010 in the office of the Register of Deeds for Johnson County, Kansas and recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, and as such Declaration may from time to time be amended.

Section 6. "LOT" means each separate parcel within the Neighborhood, as shown on any recorded plat of all or part of the Neighborhood, which is intended for individual ownership, except any such separate parcel included within the Common Facilities, provided however, that if an Owner other than the Developer owns all or parts of one or more adjacent lots upon which only one residence has been, is being, or will be constructed, then such adjacent property under common ownership shall be deemed to constitute only one "Lot." A Lot is the equivalent of a "unit" as defined in the Act.

Section 7. "BOARD" means the Board of Directors of the Prairie Point Homes Association.

Section 8. "CERTIFICATE OF SUBSTANTIAL COMPLETION" means a certificate executed, acknowledged and recorded by the Developer stating that all or, at the Developer's discretion, substantially all of the Lots in the Neighborhood (as then composed or

contemplated by the Developer) have been sold by the Developer and the residences to be constructed thereon are substantially completed; provided, however, that the Developer may execute and record a Certificate of Substantial Completion or similar instrument in lieu thereof in its absolute discretion at any time and for any limited purpose hereunder. The execution or recording of a Certificate of Substantial Completion shall not, by itself, constitute an assignment of any of the Developer's rights to the Association or any other person or entity.

Section 9. "CITY" means the City of Olathe, Kansas.

Section 10. "COMMON FACILITIES" means all land designated by Developer for the general use, benefit or enjoyment of all owners, tenants and occupants of the Neighborhood which is (a) designated as a tract on any plat of any portion of the Neighborhood, (b) deeded to the Association by or at the direction of the Developer, or (c) the subject of easements, leases, licenses or other rights of use granted to the Association by or at the direction of the Developer, together with all improvements, fixtures, equipment and other tangible personal property located on, used in connection with or forming a part of any of the foregoing land, including, without limitation: buildings and structures; plantings, irrigation systems and other landscape features; playgrounds, picnic areas, parking areas, swimming pools and other recreational facilities and equipment; sidewalks, trails and walkways; lighting, signs, monuments, walls, fences, fountains and sculptures; common mailboxes and appurtenant facilities; and lakes, ponds, streams and drainage facilities, including the Private Lake described in Article 10 of the Declaration; provided however, the foregoing does not constitute a representation or warranty that any Common Facility so enumerated will exist or continue to exist within the Neighborhood.

Section 11. "DEVELOPER" means Prairie Point Homes, LLC, a Kansas limited liability Company, and its successors and assigns.

Section 12. "HOMES ASSOCIATION" means the Prairie Point Homes Association, Inc., a Kansas not-for-profit corporation to be formed by or for the Developer for the purpose of serving as the homeowners association for the Neighborhood.

Section 13. "NEIGHBORHOOD" means the real estate affected by the Declaration and shall include any additions to the Neighborhood of nearby lands or adjacent lands as made by the Developer.

Section 14. "OWNER" means each person or persons and/or entity or entities who may from time to time own fee simple title to any Lot, including the Developer, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. "TURNOVER DATE" means the earlier of: (1) the first day of the next fiscal year of the Association following that date on which Developer no longer owns any Lot in the Neighborhood, or (b) the effective date designated by Developer, in a notice to the members of the Association, stating that Developer relinquishes control.

## **ARTICLE II**

### **Location**

The principal office of the Association shall be located at 14819 West 95<sup>th</sup> Street, Lenexa, Kansas 66215, or such other place as may from time to time be designated by the Board.

## **ARTICLE III**

### **Membership**

Section 1. Every Owner of a Lot included within the Neighborhood, or any portion thereof as more particularly described on any document now or hereafter recorded, together with the owners of any other land which may from time to time be added by Developer and made subject to all of the terms and provisions of the Declaration, Articles of Incorporation and these By-Laws, by filing for record in the Register of Deeds of Johnson County, Kansas, shall be a member of the Association. No Owner shall be permitted or allowed to disclaim said membership and the duties, obligations and benefits thereof nor withdraw from the Association for any reason; provided, that the foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for performance of an obligation.

Section 2. The rights of membership are subject to the payment of monthly, annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of a Lot, as provided in the Declaration.

Section 3. The membership rights of an Owner, including but not limited to the rights provided for in Articles III and IV of these By-Laws, may be suspended by action of the Board during the period when the assessments remain unpaid; but, upon payment of such assessments, said Owner's rights and privileges shall be automatically restored. The Board may adopt and publish rules and regulations governing the use of the amenities of the Association, and the personal conduct of any person thereon, as provided in Article VIII hereof, and in the event of breach of such rules and regulations the Board may, in its discretion, suspend the rights of any person for violation of such rules and regulations, such suspension period not to exceed thirty (30) days.

## **ARTICLE IV**

### **Voting Rights**

Section 1. Voting rights shall be as provided in the Declaration.

Section 2. Owners may vote at a meeting in person, by secret ballot, by absentee ballot pursuant to Section 3 (d) below, by a proxy pursuant to Section 4 below, or, when a vote is conducted without a meeting, by electronic or paper ballot pursuant to Section 5 below.

Section 3. At a meeting of Owners the following requirements shall apply:

(a) Owners who are present in person may vote by voice vote, show of hands, standing, or any other method for determining the votes of Owners, as designated by the person presiding at the meeting.

(b) If only one of several Owners of a Lot is present, that Owner is entitled to cast all the votes allocated to that Lot. If more than one of the Owners is present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the Owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(c) Unless a greater number or fraction of the votes in the Association is required by the Act or the Declaration, a majority of the votes cast determines the outcome of any action of the Association.

(d) An Owner may vote by absentee ballot without being present at the meeting. The Association promptly shall deliver an absentee ballot to an Owner that requests it if the request is made at least three days before the scheduled meeting. Votes cast by absentee ballot must be included in the tally of a vote taken at that meeting.

(e) When an Owner votes by absentee ballot, the Association must be able to verify that the ballot is cast by the Owner having the right to do so.

Section 4. The following requirements apply with respect to proxy voting:

(a) Votes allocated to a Lot may be cast pursuant to a directed or undirected proxy duly executed by an Owner.

(b) If an Owner (other than Developer) is comprised of more than one person and/or entity, they shall designate one of their number to hold the Association membership, and each Owner (other than Developer) must be (1) an individual who is an Owner, or (2) if the Owner is or includes a partnership, an individual who is a partner, or (3) if the Owner is or includes a corporation, an officer of the corporation, or (4) if the Owner is or includes a trust, an individual who is a trustee or beneficiary of the trust, or (5) if the Owner is or includes a limited liability company or an association, an individual who is a member or manager of the limited liability company or association.

(c) An Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association.

(d) A proxy is void if it is not dated or purports to be revocable without notice.

(e) A proxy is valid only for the meeting at which it is cast and any recessed session of that meeting.

(f) A person, other than a member of the Board may not cast undirected proxies representing more than 15% of the votes in the Association.

Section 5. The Association may conduct a vote without a meeting. If a vote without a meeting is permitted and used, the following requirements apply:

- (a) The Association shall notify the Owners that the vote will be taken by ballot.
- (b) The Association shall deliver a paper or electronic ballot to every Owner entitled to vote on the matter.
- (c) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.
- (d) When the Association delivers the ballots, it shall also:
  - (1) Indicate the number of responses needed to meet the quorum requirements;
  - (2) State the percent of votes necessary to approve each matter other than election of Directors;
  - (3) Specify the time and date by which a ballot must be delivered to the Association to be counted, which time and date shall not be fewer than three days after the date the Association delivers the ballot; and
  - (4) Describe the time, date and manner by which Owners wishing to deliver information to all Owners regarding the subject of the vote may do so.
- (e) A ballot is not revoked after delivery to the Association by death or disability or attempted revocation by the person that cast that vote.
- (f) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

Section 6. Votes allocated to a Lot owned by the Association must be cast in any vote of the Owners in the same proportion as the votes cast on the matter by the Owners other than the Association.

## ARTICLE V

### Association Purposes and Powers

The Association has been organized for the purpose of protecting, maintaining, improving, operating and administering the Neighborhood and Common Facilities, including taking necessary action to levy and collect the assessments herein provided for, pay expenses and losses and do such other things as are provided or contemplated in the Declaration, the Articles of Incorporation or these Bylaws. The Association shall not be deemed to be conducting a business of any kind, and shall hold and apply all funds it receives for the benefit of the

Neighborhood in accordance with the provisions of this Declaration and the Articles of Incorporation and these Bylaws.

## ARTICLE VI

### Board of Directors

Section 1. The affairs of the Association shall be managed by a Board of five (5) Directors who must be members of the Association, provided, however, that the initial Board of Directors shall consist of three (3) Directors who need not be members of the Association as established in the Articles of Incorporation of Prairie Point Homes Association, Inc., until the Turnover Date as provided by the Declaration. The number and term of Directors for the Association may, from time to time, be changed by majority vote of not less than one half (1/2) of the members entitled to vote thereon, which change in number of Directors shall be reflected by amendment to the Articles of Incorporation (if such number is stated therein) and resultant amendment to these By-Laws; provided that the number of Directors authorized by the Articles of Incorporation (if such number is stated therein) and these By-Laws shall always be an odd number.

Section 2. Vacancies in the Board shall be filled by the remaining Directors, or the majority thereof if more than three (3). Any Director shall hold office until their successor is elected by the members, who may be elected at the next annual meeting of the members or at any special meeting duly called for that purpose.

## ARTICLE VII

### Election of Directors; Nominating Committee; Election Committee

Section 1. Election to the Board shall be by written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded documents applicable to the Neighborhood. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled subject to the terms of Article VI, Section 1, such nominations may be made from among members or non-members, as the committee, in its discretion, shall determine. Nominations shall be placed on a written ballot which shall be sent to all members with written

notice of the meeting at which any such election is to be held. At the annual or special meeting at which such election is being held, the ballots shall be collected and counted, and the results of such election shall be announced at the meeting.

## ARTICLE VIII

### Powers and Duties of the Board of Directors

Section 1. The Board shall have power:

(a) To appoint and remove at its pleasure, all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.

(b) To adopt and publish rules and regulations governing the use of the Association property and the personal conduct of the members and their guests thereon.

(c) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, including those referred to in the Declaration, except those reserved to the Owners.

(d) In the event that any member of the Board of this Association shall be absent from three (3) consecutive regular meetings of the Board, the Board may by action taken at the meeting during which the third absence occurs, declare the office of the absent Director to be vacant.

(e) To contract with a professional association management company to carry out any of the powers and duties of the Board.

Section 2. It shall be the duty of the Board:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting.

(b) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(c) To carry out the purposes of the Association including, but not by way of limitation, maintenance of the Association property, and if a majority of the Board approves to employ a professional real estate management company.

(d) As more fully provided in the Declaration, to establish and levy and assessments against the Lots, and collect the assessments, and in connection therewith:

(1) To implement and enforce the amount of the assessment against

each Lot as provided in the Declaration;

(2) To prepare a roster of the Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member, and, at the same time;

(3) To send written notice of each assessment to every Owner subject thereto.

(e) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

## ARTICLE IX

### Directors' Meetings

Section 1. A regular meeting of the Board shall be held at 7:00 p.m. on the first Tuesday of March, of each and every year (or the immediately succeeding business day if any such meeting date falls on a holiday) provided that the Board may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Until the Turnover Date, the Board shall meet at least two times a year. At least one of those meetings must be held in the Neighborhood or at a place convenient to the Owners. After the Turnover Date, the Board shall meet at least once a year and such meetings must be in the Neighborhood or at a place convenient to the Owners unless the Owners amend the By-laws to vary the location of those meetings.

Section 3. Unless the meeting is included in a schedule given to the Owners or the meeting is called to deal with an emergency, the Secretary shall give notice of each Board meeting to each Board member and to the Owners. The notice must state the time, date, place, and agenda of the meeting and, except as provided Article XIV, Section 3 (notification to Owners of an annual or special meeting) and Article XI, Section 3 (emergency assessments), be given at least five days prior to the meeting date.

Section 4. If any materials are distributed to the Board before the meeting, the Board at the same time shall make copies of those materials reasonably available to Owners, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

Section 5. The Board may meet by telephonic, video, or other conferencing process if:

(a) The meeting notice states the conferencing process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection; and

(b) The process provides all Owners the opportunity to hear or perceive the

discussion and to comment.

Section 6. After the Turnover Date, the Owners may amend the By-laws to vary the procedures for meetings described in Section 5

Section 7. Prior to the Turnover Date, instead of meeting, the Board may act by unanimous consent as documented in a record authenticated by all its members. The Secretary promptly shall give notice to all Owners of any action taken by unanimous consent. After the Turnover Date, the Board may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the Board.

Section 8. Special meetings of the Board shall be held when called by a majority of the Directors then serving after not less than three (3) days' notice to each Director.

Section 9. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 10. Meetings of the Board and committees of the association authorized to act for the association must be open to the Owners except during executive sessions. The Board and those committees may hold an executive session only during a regular or special meeting of the Board or a committee. No final vote or action may be taken during an executive session. An executive session may be held only to:

- (a) Consult with the association's attorney concerning legal matters;
- (b) Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
- (c) Discuss labor or personnel matters;
- (d) 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
- (e) Prevent public knowledge of the matter to be discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

Section 11. A gathering of members of the Board at which the board members do not conduct association business is not a meeting of the Board. The Board and its members may not use incidental or social gatherings of Board members or any other method to evade the open meeting requirements of this section.

Section 12. At each Board meeting, the Board shall provide a reasonable opportunity

for Owners to comment regarding any matter affecting the Association.

Section 13. Even if an action by the Board of directors is not in compliance with the Act, it is valid unless set aside by a court. A challenge to the validity of an action of the Board for failure to comply with the Act may not be brought more than 60 days after the minutes of the Board meeting at which the action was taken are approved or the record of that action is distributed to Owners, whichever is later.

Section 14. A quorum of the Board is present for purposes of determining the validity of any action taken at a meeting of the Board only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Board members present is the act of the Board.

Section 15. Meetings of the Board must be conducted in accordance with the most recent edition of *Roberts' Rules of Order Newly Revised*.

## ARTICLE X

### Removal of Members of the Board of Directors

Section 1. Owners present in person, by proxy, or by absentee ballot at any meeting of the Owners at which a quorum is present, may remove any member of the Board and any officer elected by the Owners, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, but:

(a) A member appointed by the Declarant may not be removed by an Owner vote until after the Turnover Date;

(b) The Owners may not consider whether to remove a member of the Board or an officer elected by the Owners at a meeting of the Owners unless that subject was listed in the notice of the meeting.

Section 2. At any meeting at which a vote to remove a member of the Board or an officer is to be taken, the member or officer being considered for removal must have a reasonable opportunity to speak before the vote.

## ARTICLE XI

### Annual Budget, Special Assessments, Emergencies

Section 1. The Board shall propose and adopt a budget for the Association at least annually. Notice of any meeting at which a budget will be considered must be given to Owners at least 10 days prior to the meeting date. A copy of the proposal must be made available to any Owner who requests it. At any meeting at which a budget or budget amendment is considered, Owners must be given a reasonable opportunity to comment on the proposal prior to the Board

taking action.

Section 2. The Board, at any time, may propose a special assessment. Except as otherwise provided in Section 3 below, notice and consideration of any proposed special assessment shall follow the procedures set out in Section 1 above.

Section 3. If the Board determines by a 2/3 vote of the membership of the Board that a special assessment is necessary to respond to an emergency:

(a) The special assessment shall become effective immediately in accordance with the terms of the vote;

(b) Notice of the emergency assessment must be provided promptly to all Owners; and

(c) The Board may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.

## ARTICLE XII

### Officers

Section 1. The officers shall be a Chairman of the Board, a President, a Vice President, a Secretary, and a Treasurer. The Chairman of the Board, President and Vice President shall be members of the Board. The Chairman of the Board and President may be the same individual. The Secretary and the Treasurer may be the same individual.

Section 2. The officers shall be chosen by majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board and may be removed by a majority of the Board.

Section 4. The Chairman of the Board shall preside at the meetings of the Board, shall see that orders and resolutions of the Board are carried out and sign all notes, leases, deeds of trust, chattel mortgages, financing statements, deeds, and all other written instruments.

Section 5. The President shall preside at all meetings of the members at which the President is present, and shall do and perform such other duties and may exercise such other powers as from time to time may be assigned to the President by these By-Laws or by the Board.

Section 6. The Vice President shall perform all the duties of the President in the absence of the President.

Section 7. The Secretary shall be ex-officio. The Secretary of the Board shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall keep the records of the Association. The Secretary shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members.

Section 8. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, provided however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks.

Section 9. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet shall be presented to the membership at its regular annual meeting.

Section 10. The President and the Secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

## ARTICLE XIII

### Committees

Section 1. The Board, may in its discretion, appoint Standing Committees of the Association, including, but not limited to:

- The Nominating Committee
- The Design Review Committee
- The Audit Committee
- The Pool, Recreation & Social Committee
- The Landscaping Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board for board contact. The committees shall be appointed by the Board prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article VII.

Section 3. The Design Review Committee shall establish design standards, shall review and approve improvements, alterations and replacements of or to any improvements within the Neighborhood, and shall perform the duties and functions described in Article 7 of the Declarations.

Section 4. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the Committee.

Section 5. The Pool, Recreation and Social Committee shall supervise the use and operation of the swimming pool facility and recreational equipment and perform such other duties as the Board in its discretion determines.

Section 6. The Landscaping Committee shall supervise the maintenance of landscaping within the Common Facilities.

Section 7. With exception of the Nominating Committee, each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 8. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association further concerned with the matter presented.

## ARTICLE XIV

### Meetings of Members

Section 1. The regular annual meeting of the members shall be held at 7:00 p.m. on the last Tuesday of March of each and every year. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. The Association shall hold a special meeting of Owners to address any matter affecting the Association if the President, a majority of the Board or Owners having at least 10%, of the votes in the Association requests that the Secretary call the meeting. If the Association does not notify the Owners of a special meeting within 30 days after the requisite number or percentage of Owners request the Secretary to do so, the requesting Owners may directly notify all the Owners of the meeting. Only matters described in the meeting notice required by Section 3 may be considered at a special meeting.

Section 3. The Association shall notify the Owners of the time, date, and place of each annual and special meeting not less than 10 days or more than 60 days before the meeting date. Notice may be by any method reasonably calculated to provide notice to the Owner. The notice for any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

- (a) A statement of the general nature of any proposed amendment to the Declaration or By-laws;
- (b) Any budget proposals or changes; and
- (c) any proposal to remove an officer or member of the board of directors.

Section 4. The minimum time to give notice required Section 3 may be reduced or

waived for a meeting called to deal with an emergency.

Section 5. Owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Association.

Section 6. Meetings of Owners may be conducted by telephonic, video, or other conferencing process, if the alternative process is consistent with Section 5 of Article IX.

Section 7. A quorum is present throughout any meeting of the Owners if persons entitled to cast 20% of the votes in the Association:

- (a) Are present in person or by proxy at the beginning of the meeting;
- (b) Have cast absentee ballots solicited in accordance with the association's procedures which have been delivered to the secretary in a timely manner; or
- (c) Are present by any combination of paragraphs (a) and (b).

Section 8. Meetings of the Association must be conducted in accordance with the most recent edition of *Roberts' Rules of Order Newly Revised*.

Section 9. The association shall deliver any notice required to be given to any mailing or electronic mail address an Owner designates. Otherwise, the Association may deliver notices by:

- (a) Hand delivery to each Owner;
- (b) Hand delivery, United States mail postage paid, or commercially reasonable delivery service to the mailing address of each Lot;
- (c) Electronic means, if the Owner has given the association an electronic address; or
- (d) Any other method reasonably calculated to provide notice to the Owner.

Section 10. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

## ARTICLE XV

### Books and Papers

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Owners. All records of the Association shall be administered and retained in accordance with the Act.

## **ARTICLE XVI**

### **Corporate Seal**

The Association at the option of the Board shall have a seal in circular form having within its circumference the words:

"Prairie Point Homes Association, Inc."

## **ARTICLE XVII**

### **Amendments**

Section 1. Before adopting, amending, or repealing any rule, the Board shall give all Owners notice of:

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

Section 2. Following adoption, amendment, or repeal of a rule, the Association shall notify the Owners of its action and provide a copy of any new or revised rule.

Section 3. These By-Laws may be amended, at a regular or special meeting of the Owners, by a vote of a majority of a quorum of the class of Owners entitled to vote present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as permitted in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration, or as may be required by the Act.

Section 4. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control. In any case, the mandatory provisions of the Act shall control.

## **ARTICLE XVIII**

### **Indemnification of Officers and Directors**

Each director, officer, former director and former officer of this Association and the legal representatives thereof shall be indemnified and held harmless by this Association against liabilities, expenses, counsel fees and costs reasonably incurred by him or his estate in connection with or arising out of any action, suit, proceeding or claim in which he is made a

party by reason of his being, or having been, such director or officer; provided that this Association shall not indemnify such director or officer with respect to any matters as to which he shall be finally adjudged in any such action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his duties as such director or officer. The indemnification herein provided for, however, shall apply also in respect of any amount paid in compromise of any such action, suit, proceeding or claim asserted against such director or officer (including expenses, counsel fees and costs reasonably incurred in connection therewith), provided the Board shall have first approved such proposed compromise settlement and determined that the director or officer involved was not guilty of gross negligence or willful misconduct; but in taking such action any director involved shall not be qualified to vote thereon, and if for this reason a quorum of the Board cannot be obtained to vote on such matter, it shall be determined by a committee of three (3) persons appointed by the Owners at a duly called special meeting or at an annual meeting. In determining whether or not a director or officer was guilty of gross negligence or willful misconduct in relation to any such matters, the Board or committee appointed by the members, as the case may be, may rely conclusively upon an opinion of independent legal counsel selected by such Board or committee. Any compromise settlement authorized herein shall not be effective until submitted to and approved by a court of competent jurisdiction. The right to indemnification herein provided shall not be exclusive of any other rights to which such director or officer may be lawfully entitled.

## ARTICLE XIX

### Owners' Bill of Rights

Section 1. Disputes between the Association and Owners or between two or more Owners regarding affairs of the Association shall be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding.

Section 2. The Association shall promptly provide notice to the Owners of any legal proceedings in which the Association is a party other than proceedings involving enforcement of rules affecting the Association or the Declarations, or to recover unpaid assessments or other sums due the Association.

Section 3. The Association shall establish a reasonable method for Owners to communicate among themselves and with the Board concerning the Association.

Section 4. The Association shall have the power to suspend any right or privilege of an Owner that fails to pay an assessment, but may not:

- (a) Deny an Owner or other occupant access to the Owner's Lot;
- (b) Suspend an Owner's right to vote except involving issues of assessments and fees;
- (c) Withhold services provided to a Lot or an Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any person.

Section 5. The Board may not:

- (a) Amend the Declaration except as provided by law other the Act;
- (b) Amend these By-laws;
- (c) Terminate the Association;
- (d) Elect members of the Board, but may fill vacancies in its membership for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of the Board; or
- (e) Determine the qualifications, powers, duties, or terms of office of the Board.

IN WITNESS WHEREOF, we, being all of the Directors of Prairie Point Homes Association, Inc., have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

---

Clay C. Blair III

  
Janet Blair

---

---

Frank J. Dean