

SEVEN HILLS HOMES ASSOCIATION

BYLAW AMENDMENT NO. 1

THIS AMENDMENT TO THE HOMES ASSOCIATION DECLARATION OF SEVEN HILLS HOMES ASSOCIATION, is made this 6th day of June, 2011, by the members of Seven Hills Homes Association. (the "Association").

WHEREAS, Seven Hills Homes Association original bylaws were implemented on or about September 1977. A copy of the original bylaws are attached:

See Exhibit A attached.

WHEREAS, recent changes to Kansas State Law, specifically House Bill No. 2472, have necessitated certain changes to the original bylaws; and

WHEREAS, the Association wishes to comply with state law, and

WHEREAS, the Association has called a special meeting in accordance with Article III Section 2 of the original bylaws, and

WHEREAS, in accordance with Article III Section 5 of the original bylaws a majority of the members have consented in writing to this Amendment.

NOW THEREFORE, the Association, pursuant to its authority to amend the bylaws hereby amends the bylaws by adding the following:

Amendment No. 1 (Amendment to Change Number of Members Required to Call a Special Meeting)

A new Article III (Meeting of Members), Section 2 is hereby added deleting previous Section 2:

Section 2. Special Meetings. Special meetings of the members other than those regulated by statute may be called at any time by a majority of the directors. The Board of Directors shall also, in like manner, call a special meeting whenever so requested in writing by 10% of the members of the Association. No business other than that specified in the call for the meeting shall be transacted at the special meeting.

Amendment No. 2 (Amendment to Change the Maximum Number of Days for Meeting Notification and Waiver of Minimum Number of Days in Emergency Situations)

A new Article III (Meeting of Members), Section 3 is hereby added deleting previous Section 3:

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days but no more than 60 days before such meeting to each member entitled to vote thereat, addressed to that member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Minimum times to give notice may be reduced for an emergency meeting.

Amendment No. 3 (Amendment Regarding Non-binding Arbitration)

A new Article III (Meeting of Members), Section 7 is hereby added:

Section 7. Non-binding Arbitration. By a vote of at least 51% of the Members present at a regular or special meeting, Members shall have the power to require that disputes between the Association and an owner, or between two or more owners, be submitted to non-binding arbitration as a pre-requisite to filing a lawsuit.

Amendment No. 4 (Limitation on Powers of Directors)

A new Article IV (Directors), Section 4(b) is hereby added deleting previous Section 4(b):

Section 4. Powers. The Board of Directors shall have power to:

(b) suspend the right to the use of recreational facilities to a member in default in the payment of assessments so long as the suspension of said right to use of the facilities would not endanger the health or safety of the member. The directors shall not suspend the voting rights of a member in default in the payment of assessments except with respect to voting issues involving financial issues of the community. The directors cannot deny a member in default in the payment of assessments to access of their home.

Amendment No. 5 (Notice of Pending Legal Actions)

Article IV (Directors), Section 5 is hereby amended to include:

Section 5. Duties. The Board of Directors shall promptly notify Association members of any judicial proceeding concerning the Association unrelated to any enforcement action against an individual member.

Amendment No. 6 (Directors Meetings)

A new Article IV (Directors), Section 6 is hereby added deleting previous Section 6:

Section 6. Directors Meetings. Regular meetings of the Board of Directors shall be held as the Board of Directors may determine but the Board of Directors shall meet no less than two

times a year. Special meetings of the Board of Directors may be called by the President, at any time, and shall be called by the President or the Secretary upon the written request of five directors. At least one of the Board of Director's meetings must be at a convenient location within the Association or another convenient off-site location. Meetings of the Board and its Committees must be open to the owners except for executive sessions, which are limited to discussions involving:

- a. Consultation with the Association's attorney;
- b. Litigation or related alternative proceedings;
- c. Labor or personnel matters;
- d. Leases, commercial transactions or purchases if information released would compromise the Associations position; and
- e. Matters that would violate the privacy of any person.

Amendment No. 7 (Amendment to Change the Minimum and Maximum Number of Days for Notice and Requirements for Certain Notices)

A new Article IV (Directors), Section 7 is hereby added deleting previous Section 7:

Section 7. Notice of Meetings. Notice of meetings, other than the regular annual meetings, shall be given by service upon each director in person, or by mail to him/her at their last known post office address, at least 10 days but no more than 60 days before the date therein designated for such meeting, including the day of the mailing, of a written or printed notice thereof specifying the time and place of such meeting. If applicable notices should include:

- a. A statement of the general nature of any proposed revisions to the declaration or bylaws;
- b. Any budget proposals or changes; and
- c. Any proposal to remove an officer or director

Amendment No. 8 (Limitations of Removal of Directors)

A new Article IV (Directors), Section 11 is hereby added deleting previous Section 11:

Section 11. Removal of Directors. Any one or more of the directors may be removed either with or without cause, at any time, by a vote of 2/3 of the members of the Association present in person or proxy at any special meeting called for that purpose, subject to two limitations:

- a. The attempt to remove must have been listed as an item in the notice for the meetings.
- b. At the meeting, the member or director being considered for removal must have a reasonable opportunity to speak before the vote.

Amendment No. 9 (Limitations of Removal of Officers)

A new Article V (Officers), Section 7 is hereby added deleting previous Section 7:

Section 7. Removal of Officers. Any one or more of the officers may be removed either with or without cause, at any time, by a vote of 2/3 of the members of the Association present in person or proxy at any special meeting called for that purpose, subject to two limitations:

- a. The attempt to remove must have been listed as an item in the notice for the meetings.
- b. At the meeting, the member or officer being considered for removal must have a reasonable opportunity to speak before the vote.

Amendment No. 10 (Amendments)

A new Article XI (Amendments), Section 1 is hereby added deleting previous Section 1:

Section 1. How Amended. These bylaws may be altered, amended, repealed or added to by a majority vote of the members present at any regular meeting, or at a special meeting called for such purpose.

Amendment No. 11 (Records)

A new Article XII (Records) is hereby added:

ARTICLE XII

Records

Section 1. Record Maintenance. The Board of Directors must retain the following documents for a minimum of five (5) years:

- (a) Detailed records of receipts and expenditures affecting the operation and administration of the Association and other appropriate accounting records;
- (b) Minutes of all meetings of the Association members and Board of Directors other than executive sessions, a record of all actions taken by the unit owners or Board of Directors without a meeting, and a record of all actions taken by a Committee in place of the Board of Directors on behalf of the Association;
- (c) The names of the members in a form that permits preparation of a list of the names of all members and the addresses at which the Association communicates with them, in alphabetical order showing the number of votes each member is entitled to cast;
- (d) Its original or restated organizational documents, bylaws and all amendments to them, and all rules currently in effect;
- (e) All financial statements and tax returns of the Association for the past three years;

- (f) A list of the names and addresses of its current Board of Directors' members and officers;
- (g) The most recent annual report, if any, delivered to the Secretary of State;
- (h) Financial and other records sufficiently detailed to enable the Association to comply with other requirements of law;
- (i) Copies of current contracts to which the Association is a party;
- (j) Records of the Board of Directors or Committee actions to approve or deny any requests for design or architectural approval from members; and
- (k) Ballots, proxies, and other records related to voting by members for one year after the election, action, or vote to which they relate.

Section 2. Access to Records. All records, except those that may be withheld under Section 3 below, must be available for inspection and copying by the members or their agents upon 10 days written notice reasonably identifying the specific records of the Association that are being requested. An electronic transmission of the documents being requested is sufficient. The requesting member or agent may be charged a reasonable fee for copying the documents.

Section 3. Records That May Be Withheld By The Board of Directors. Documents may be withheld by the Board of Directors from being inspected or copied if they concern:

- (a) Personal, salary, and medical records relating to specific individual members;
- (b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;
- (c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;
- (d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the declaration, bylaws, or rules;
- (e) Communications with the Association's attorney which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;
- (f) Information the disclosure of which would violate law other than this act;
- (g) Records of an executive session of the Board of Directors; or
- (h) Individual member files other than those requested of the requesting member.

The effective date of this Bylaw Amendment No. 1 shall be June 6, 2011.

Anne Sheehan
Director

Jimmy Lane Jr
Director

Wade Ellis
Director

CERTIFICATION:

I, the undersigned officer of Seven Hills Homes Association, do hereby acknowledge and certify that the Association has called a special meeting and a majority of the members present at said special meeting have consented to this Amendment.

[Signature] 6/6/2011
President Date

I, the undersigned officer of Seven Hills Homes Association, do hereby acknowledge and certify that the Bylaw Amendment No. 1 was duly adopted and execution of this document is evidence thereof. The amendment will be placed in the minute book and the records of the Association.

[Signature] 6/6/2011
Secretary Date