

Bylaws

of

Falcon Valley 3rd Plat Villas Homes Association, Inc.

ARTICLE I

1.1 Name. The name of the corporation is Falcon Valley 3rd Plat Villas Homes Association, Inc. It is incorporated under the laws of the State of Kansas as a corporation not-for-profit.

1.2 Location. The principal office of the corporation and meetings of members and directors may be held at a place so designated by the board of directors.

ARTICLE II DEFINITIONS

2.1 Association shall mean the Falcon Valley 3rd Plat Villas Homes Association, Inc., its successors and assigns.

2.2 District 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, if any, shall have the meaning set forth in the Declaration.

2.4 Street shall mean any public or private street, road, terrace, circle or boulevard shown on any recorded plat of all or part of the District.

2.5 Lot shall mean any lot as shown as a separate lot on any recorded plat of all or part of the District; 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 erected, then such adjacent property under common ownership shall be deemed to constitute only one "Lot".

2.6 Owner shall mean the record owner in fee simple of any Lot in the District, including the Developer.

2.7 Developer shall mean and refer to Falcon Valley, L.L.C., a Kansas limited liability company, and its successors and assigns.

2.8 Declaration shall mean the Falcon Valley 3rd Plat Homes Association Declaration, dated as of July 30, 2001, and recorded as instrument number 3281498 in Book 7203

at page 199 in the Office of the Register of Deeds, Johnson County, Kansas, as such Declaration may be amended from time to time.

ARTICLE III **MEMBERSHIP**

3.1 Membership. Membership in the Association shall be limited to one person or entity who is the Owner of the fee interest in each Lot which is now or hereafter within the jurisdiction of the Association. Persons or entities 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 Lot which is subject to assessment by the Association.

3.1.1 Membership for Guardian of Minors. In case the legal title to a Lot in the District is held by one or more minors, their natural or legal guardian or guardians shall be eligible for membership, or if there be more than one such guardian, they shall jointly have the right to cast only one vote for any candidate at any election or on any question or such guardians may designate in writing one of them as a member in their stead and such person shall thereupon become eligible for membership, subject to the approval of the Board of Directors.

3.1.2 Membership for Representatives of Corporations. In case the legal title to a Lot in the District is held by a corporation, partnership or other entity, the Owner may designate, by filing a written instrument with the Association, any person as its member representative.

3.2 Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association as provided in the Declaration, the voting rights and the right to use any recreational facilities, if any, in or available to the District may be suspended by the Board of directors until such assessment has been paid. Such rights of a member may also be suspended, 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, if any, and the recreational facilities, if any, in or available to the District.

ARTICLE IV **VOTING RIGHTS**

The Association shall have only one class of members, which shall consist of all of the persons and entities who are members as provided in Article III. Each member shall be entitled to one vote for each lot for which the member is the Owner and upon which the member shall not be delinquent in the payment of any assessment. When more than one person holds such interest in any Lot, all such persons shall be members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast by members with

respect to any Lot; provided, however, the Developer shall have one vote for each Lot Developer owns.

ARTICLE V
USE OF COMMON AREAS

5.1 Undedicated Common Areas. The Owners of Lots within the District shall have the right to the use of Common Areas, if any, appearing as undedicated common areas, if any, on the plat of the District, or as may appear on subsequent plats of the District, or as may be created by separate document filed for that purpose with the Register of Deeds of Johnson County, Kansas, by the Developer, or as may otherwise be created.

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, if any.

ARTICLE VI
BOARD OF DIRECTORS

6.1 Number. The business and affairs of the Association shall be managed by a Board of Directors, initially composed of two (2) persons. Each initial director shall hold office until the first annual election of directors or until his or her earlier resignation or removal. Each individual elected as a director shall serve for a term of one year and until his or her successor is duly elected and has commenced his or her term of office or until his or her earlier resignation or removal.

6.2 Qualification. All directors, other than the initial directors appointed by the Incorporator, shall be members in good standing of the Association.

6.3 Removal. 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 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 or her actual expenses incurred in the performance of his or her duties.

ARTICLE VII
MEETINGS OF DIRECTORS

7.1 Annual Meetings. Annual meetings of the Board of Directors shall be held 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.

7.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any two directors.

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 meeting, either personally or by mail, by or at the direction of the president, or the persons 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 or her address as it appears on the records of the Association, with postage thereon prepaid.

7.5 Waiver of Notice. Any notice provided or required to be given to the directors may be waived in writing by any of them whether before or after the time stated therein. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7.6 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Except as otherwise provided herein, 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.

7.7 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.

7.8 Meetings by Conference Telephone or Similar Communications Equipment. Unless otherwise restricted by the Articles of Incorporation or these bylaws, members of the Board of Directors of the Association, or any committee designated by the board, may participate in a meeting of the board or committee by means of which 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.

7.9 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIII **NOMINATION AND ELECTION OF DIRECTORS**

8.1 Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the members.

8.2 Election. Election to the Board of Directors shall be by written ballot. Until such time as (i) 95% of the Lots in the District (as it exists from time to time) are owned by Owners other than Developer, and (ii) Developer owns less than two acres of land within the District, the directors of the Association shall be elected by the Developer. At such time as conditions (i) and (ii) contained in the foregoing sentence have been satisfied, the directors of the Association shall be elected by the members. At any such election the members or their proxies may cast, in respect to the vacancy on the Board of Directors to which such members or their proxies are entitled to vote, 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 or she 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 or otherwise.

ARTICLE IX **POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have to 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, if any, 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 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, if necessary.

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, if necessary, are properly performed.

9.6 Assessments. As more fully provided in the Declaration, provide for the levying of the annual assessment against each Lot and any special assessment against any Lot.

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 Board of Directors for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

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

9.9 Bonding. Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate.

9.10 Maintenance. Cause the Common Areas, if any, to be maintained and maintain the entry landscape easements.

9.11 Committees. Appoint an executive committee and other committees and delegate to such committees any of the powers and authority of the Board of Directors in the management of the business and affairs of the Association. Any such committee shall be composed of two or more directors.

9.12 Indebtedness of Association. To the extent permitted by the Declaration, 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 Owner.

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.

ARTICLE X MEETINGS OF MEMBERS

10.1 Annual Meetings. The annual meetings of the members of the Association shall be held on the _____ of _____ of each year, at such place as may be fixed by the Board of Directors. If the day for the annual meeting of members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. At the annual meeting, directors shall be elected, reports of the affairs of the Association shall be considered, assessment levels shall be established and any other business within the powers of the membership may be transacted.

10.2 Special Meetings. Special meetings of the members may be called at any time by the president or by a majority of the Board of Directors, or upon written request of members holding at least one-tenth (1/10th) of the votes of the members.

10.3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary of persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least five days before a regular meeting and at least ten days before a special meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of 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.

10.4 Quorum. The presence at a meeting, in person or by proxy, of members entitled to cast at least one-fourth (1/4th) of a total votes of the membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be obtained. Except as otherwise provided in the Declaration or the Articles of Incorporation or by law, a majority vote of those present at a meeting at which a quorum is present shall be necessary to transact any business.

10.5 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Association before the

meeting. Every proxy shall be revocable and shall automatically cease to be effective, if not sooner terminated by its terms or revoked, upon the expiration of one year from the date of its issuance or upon conveyance by the member of his or her Lot, whichever event shall occur sooner.

ARTICLE XI OFFICERS AND THEIR DUTIES

11.1 Enumeration of Offices. The officers of the Association shall be a president, a vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may from time to time elect.

11.2 Election of Officers. Initially, the officers shall be elected by the Board of Directors named in the Articles of Incorporation at the first meeting of that body, to serve at the pleasure of the board until the first annual meeting of the board and until their successors are duly elected and qualified or until their earlier resignation or removal.

At the first and each subsequent annual meeting of the Board of Directors the newly elected board shall elect officers to serve at the pleasure of the board until the next annual meeting of the board and until their successors are duly elected and qualified or until their earlier resignation or removal.

An officer shall be deemed qualified when he or she enters upon the duties of the office to which he or she has been elected or appointed and furnishes any bond required by the Board or these bylaws; but the Board may also require of such person his or her written acceptance and promise faithfully to discharge the duties of such office.

11.3 Special Appointments. The Board of Directors may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

11.4 Resignation and Removal. Any officer may be removed from office by the Board of Directors, with or without cause, at any time. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

11.5 Vacancies. A vacancy in any office may be filled by the Board of Directors at any time. The officer elected to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

11.6 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any other offices except in the case of special offices created pursuant to this Article.

11.7 Duties. The duties of the officers are as follows:

President. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. he or she shall preside at all meetings of the membership and at all meetings of the board of Directors. he or she shall be ex officio a member of all standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws.

Vice President. The vice president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties and have such other powers as may be prescribed by the Board of Directors.

Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members, shall keep the corporate seal of the Association and affix it on all papers required to have the seal affixed thereto, shall serve notice of meetings of the Board and of the members, shall keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties, and have such other powers as may be prescribed by the Board.

Treasurer. The treasurer shall have responsibility for the safekeeping of the funds of the Association, shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Association and such other books of account and accounting records as may be appropriate, and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors. The books of account and accounting records shall at all reasonable times be open to inspection by any director.

11.8 Compensation. Officers of the Association shall not receive any compensation or salary for their services, but may be reimbursed for their actual expenses incurred in the performance of the duties of their offices.

ARTICLE XII
ASSESSMENTS

12.1 Purpose. The assessments levied by the Association shall be used to provide a general fund to enable the Association to exercise the powers, maintain the improvements and render the services provided for in these bylaws, the Declaration and the Articles of Incorporation.

12.2 Provisions Governing Assessments. Assessments shall be levied in the manner provided in the Declaration and all matters concerning assessments shall be governed by the provisions of the Declaration.

ARTICLE XIII
BOOKS AND RECORDS

The books and records of the Association shall, upon notice, at all times, be subject to inspection by any member. The Declaration, Articles of Incorporation and bylaws of the Association shall also be available for inspection by any member at the principal office of the Association.

ARTICLE XIV
CORPORATE SEAL

The Association may have a corporate seal in a circular form having inscribed thereon the name of the Association and the words "Corporate Seal, Kansas". The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise attached.

ARTICLE XV
GENERAL PROVISIONS

15.1 Depositories and Checks. The moneys of the Association shall be deposited in such manner as the directors shall direct in such banks or financial institutions as the directors may designate and shall be drawn out by checks signed in such manner as may be provided by resolution adopted by the Board of Directors.

15.2 Certain Loans Prohibited. The Association shall not make any loan to any officer or director of the Association.

15.3 Absence of Personal Liability. The directors, officers and members of the Association shall not be individually or personally liable for the debts, liabilities or obligations of the Association.

15.4 Indemnification and Liability of Directors and Officers. Each person who is or was a director or officer of the Association or is or was serving at the request of the Association as a director or officer of another corporation (including the heirs, executors, administrators and estate of such person) shall be indemnified by the Association as of right to the full extent permitted or authorized by the laws of the State of Kansas, as now in effect and as hereafter amended, against any liability, judgment, if the, amount paid in settlement, cost and expense (including attorneys' fees) asserted or threatened against and incurred by such person in his or her capacity as or arising out of his or her status as a director or officer of the Association or, if serving at the request of the Association, as a director or officer of another corporation. The indemnification provided by the bylaw provision shall not be exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, under any other bylaw or under any agreement, vote of members or disinterested directors or otherwise, and shall not limit in any way any right which the corporation may have to make different or further indemnifications with respect to the same or different persons or classes of persons.

ARTICLE XVI **AMENDMENT**

Section 1. Power of Directors. New bylaws may be adopted or these bylaws may be amended or repealed by a majority vote of the board of directors at any regular or special meeting thereof; provided, however, that the time and place fixed by the bylaws for the annual election of directors shall not be changed within sixty (6) days next preceding the date on which such elections are to be held. Notice of any amendment of the bylaws by the board of directors shall be given to each member having voting rights within ten (10) days after the date of such amendments by the board.

ARTICLE XVII **CONFLICT**

In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.


ARTICLE XVIII **FISCAL YEAR**

The Board of Directors shall have power to fix and from time to time change the fiscal year of the Association. In the absence of action by the board of directors, the fiscal year of the Association shall end each year on the date which the Association treated as the close of its first fiscal year, until such time, if any, as the fiscal year shall be changed by the Board of Directors.

CERTIFICATE

The undersigned secretary of Falcon Valley 3rd Plat Villas Homes Association, Inc., a Kansas not-for-profit corporation, hereby certifies that the foregoing bylaws are the original bylaws of said Association adopted by the initial Board of Directors of the corporation.

Dated as of June 19, 2002.



Shelly Odom, Secretary