

**RESTATED BYLAWS  
OF  
GRAND MERE PROPERTY  
RESIDENTIAL DISTRICT MASTER ASSOCIATION**

**ARTICLE I**

Names, Offices, and Definitions

- Section 1. Name. The name of the Corporation is Grand Mere Property Residential District Master Association (hereinafter the “Master Association”).
- Section 2. Definitions. The capitalized words and terms used but not otherwise defined herein shall be deemed to have the same meanings as are given those words and terms in that certain Declaration of Easements, Covenants, Conditions, and Restrictions for the Grand Mere Property Residential District which was recorded on January 9, 2001, in the office of the Register of Deeds of Riley County, Kansas, at Book 791, Page 276 and subsequently amended on December 22, 2011 and recorded on December 23, 2011 in the office of the Register of Deeds of Riley County, Kansas, at Book 848, Page 3121 (hereinafter the “Master Association Declaration”), and as the same may be from time to time amended.
- Section 3. Principal Office. The principal office shall be located at the offices of Arthur-Green, LLP, 801 Poyntz Avenue in the City of Manhattan, Riley County, State of Kansas 66502.
- Section 4. Other Offices. The Master Association may also have offices at such other places both within and without the State of Kansas as the Master Association Board of Directors (herein, the “Board” or the “Board of Directors”) may from time to time determine or the business of the Master Association may require.

**ARTICLE II**

Meetings of Members

- Section 1. Place of Meeting. All meetings of the Master Association Members shall be held at such hour and place either within or without the State of Kansas as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. In the event that the Board of Directors shall fail to fix the place for a meeting of Master Association Members, such meeting shall be held at the Master Association’s principal office.
- Section 2. Annual Meeting. Annual meetings of Master Association Members shall be held once per year on a date approved by the Board of Directors, at which the Master Association Members shall transact such business of the Master Association as may properly be brought before the meeting. Notifications of annual meetings must be at

least ten (10) days and no more than sixty (60) days beforehand, and include: (1) a statement of the general nature of any proposed revisions to the Master Association Declaration or these Bylaws; (2) any budget proposals or changes; and (3) any proposal to remove an officer or director. Master Association Members must be given a reasonable opportunity to comment during annual meetings of Master Association Members.

Section 3. Special Meetings. Special meetings of the Master Association Members for any purpose or purposes, unless otherwise prescribed by statute or by the Master Association Articles, may be held to address any matter affecting the Master Association if the Master Association President, a majority of the Master Association Board, or at least ten percent (10%) of the Master Association Members call such a meeting. Any such request shall state the purpose or purposes of the proposed special meeting, as set forth in Article II, Section 4 below. If the Master Association Members call a special meeting and the date of special meeting has not been set within thirty (30) days, the requesting Master Association Members may directly notify all of the Master Association Members of the meeting. All notifications of special meetings must be at least ten (10) days and no more than sixty (60) days beforehand, and include: (1) a statement of the general nature of any proposed revisions to the Master Association Declaration or these Bylaws; (2) any budget proposals or changes; and (3) any proposal to remove an officer or director. Master Association Members must be given a reasonable opportunity to comment during special meetings of Master Association Members.

Section 4. Notice. Written or email notice of each meeting of the Master Association Members stating the place, date and hour of the meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered or given to each Master Association Member not less than ten (10) nor more than sixty (60) days before the date of the meeting. All notices to Master Association Members shall first be sent to the email address of each Master Association Member that was most recently made available to the Master Association. In the event that a Master Association Member does not: (i) have an email address; or (ii) wish to be provided notice by email; and the Master Association Member provides the Master Association with notice of the same, then notice of a meeting shall be sent via regular United States Postal Service mail to the Master Association Member at the postal address for the Master Association Member that was most recently made available to the Master Association. Any Master Association Member may designate a different postal or email address or addresses for notices to it by giving written notice of its change of such postal or email address to the Master Association. Unless a Master Association Member otherwise notifies the Master Association, a Master Association Member's receipt of notice shall be deemed to have occurred upon sending of an email or placing notice in the mail as set forth above. No Master Association Member shall be permitted to invalidate notice of a meeting on the grounds of non-receipt of such notice if the above-described methods of sending notice to the Master

Association Members are used, absent evidence of fraud or malfeasance. Further, an affidavit of the Secretary or Assistant Secretary or of the transfer agent of the Master Association that notice has been given shall be *prima facie* evidence of the facts stated therein in the absence of fraud.

Section 5. Master Association Members' List. The officer, or any person designated by the Master Association, who has charge of the membership records of the Master Association shall prepare and make, at least ten (10) days before every meeting of Master Association Members, a complete list of the Master Association Members, arranged in alphabetical order, and showing the email, if available, and postal addresses of each Master Association Member. Such list shall be open to the examination of any Master Association Member, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Master Association Member who is present.

Section 6. Quorum. Ten percent (10%) of the Master Association Members then entitled to vote at any meeting, represented in person or by proxy, shall constitute a quorum at all meetings of the Master Association Members for the transaction of business except as otherwise provided by statute or by the Master Association Articles. If, however, such quorum shall not be present or represented at any meeting of the Master Association Members, the Master Association Members then entitled to vote at any meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; provided, however, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Master Association Member of record then entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Action by Master Association Members. When a quorum is present at any meeting, the vote of a majority of the Master Association Members then having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Master Association Articles, a different vote is required, in which case, such express provision shall govern and control the decision on such question.

Section 8. Voting. Until ninety-five percent (95%) of all land that is residential in nature (including land within any Annexation Property, as that term is defined in the Master Association Declaration) as shown on the Grand Mere Master Plan has been sold to third parties, and the Developer owns less than two (2) acres of land that is residential in nature as shown on the Master Plan, as that term is defined in the Master Association Declaration, the Developer shall have the sole and controlling vote as a Member in the Master Association. The period of time when the Developer shall have the sole and controlling vote as a Member in the Master Association is referred to herein as “the period of Developer control.” Thereafter, each Member of the Master Association shall at every meeting of the Master Association Members be entitled to one (1) vote in person or by proxy, but no proxy shall be voted on after three (3) years from its date, unless the proxy provides for a longer period. The Developer may at any time (but shall not be required to) relinquish all or any part of Developer’s control and rights under this section.

Section 9. Informal Action by Master Association Members. Due to the size of the Master Association, any action required to be taken at any annual or special meeting of Master Association Members, or any action which may be taken at any annual or special meeting of such Master Association Members, may be taken without a meeting, including, but not limited to, the election of the “at-large” members of the Master Association Board, the amendment of the Master Association Declaration, the amendment of these Bylaws, the termination of the Master Association, and determining the Master Association Board’s qualifications, powers, duties, or terms of office may be completed by ballot. In the event that an action by mail ballot is taken such that a vote without a meeting occurs, each of the Master Association Members shall be notified; the Master Association shall deliver all ballots; the ballot shall explain each issue being voted upon and allow for yes or no voting; and the ballot shall explain the deadline for returning the ballot, as well as the required percentage of the Master Association Members that is necessary to pass each issue being voted upon.

In the event that informal action by Master Association Members is taken in accordance with this Article II, Section 9, the delivery of ballots shall be made in a reasonable manner based upon the most recent contact information provided by each Master Association Member to the Master Association. For ease and reduced expense of delivery, ballots shall be first be sent to the email address of each Master Association Member that was most recently made available to the Master Association. In the event that a Master Association Member does not: (i) have an email address; or (ii) wish to be provided a ballot by email; and the Master Association Member provides the Master Association with notice of the same, then a ballot sent via regular United States Postal Service mail shall be sent to the Master Association Member at the postal address for the Master Association Member that

was most recently made available to the Master Association. Unless a Master Association Member otherwise notifies the Master Association, a Master Association Member's receipt of a ballot shall be deemed to have occurred upon sending of an email or placing the ballot in the mail as set forth above. No Master Association Member shall be permitted to invalidate a vote of the Master Association Members on the grounds of non-receipt of a ballot if the above-described methods of sending ballots to the Master Association Members are used, absent evidence of fraud or malfeasance.

### ARTICLE III

#### Directors

Section 1. Management of Master Association. The business of the Master Association shall be managed by its Board of Directors which may exercise all powers of the Master Association and do all such lawful acts and things which are not otherwise required by statute, by the Master Association Declaration, by the Master Association Articles, or by these Bylaws to be done by the Master Association Members. Except for directors elected by the Developer, each director shall be a Master Association Member. If a director shall cease to meet such qualifications during his or her term, he or she will thereupon cease to be a director and his or her place on the Master Association Board shall be deemed vacant.

Section 2. Number. The Developer shall have the sole and absolute power and right to appoint and remove the members of the Master Association Board during the period of Developer control. After the period of Developer control, the Master Association Board shall be comprised as follows:

- (1) A single designated representative from each Community Association Board, to be elected by the members of each Community Association's Board at a meeting of each respective Community Association Board; and
- (2) A minimum of one (1) and a maximum of five (5) "at-large" representative(s) to be comprised of Owners of Lots within the Residential District that are not Members of a Community Association, to be elected by those certain Master Association Members that are Owners of Lots within the Residential District that are not Members of a Community Association at the annual meeting of the Master Association Members or a special meeting of such Owners.

Each Director elected shall hold office until his or her resignation, his or her removal, or his or her successor is elected and qualified, whichever occurs first. There shall be no term limits for Directors.

Section 3. Meetings of the Newly Elected Board; Notice. The first annual meeting of each newly elected Board of Directors shall be held: (i) at such time and place either within or without the State of Kansas immediately after the meeting of Master Association Members at which such newly elected Board was elected and no notice of such meeting shall be necessary to the newly elected Directors to legally constitute the meeting, provided a quorum shall be present; or (ii) if a quorum shall not be present, at such time and place as shall be consented to in writing by a majority of the newly elected Directors, provided that written notice of such meeting shall be given to each of the other Directors in the same manner as provided in Section 6 of this Article III with respect to the giving of notice for special meetings of the Board except that it shall not be necessary to state the purpose of the meeting in such notice; or (iii) at such time and place as shall be consented to in writing by all of the newly elected Directors.

Every Director of the Master Association, upon his or her election, shall qualify by accepting the office of Director, and his or her attendance at, or his or her written approval of the minutes of, any meeting of the Board subsequent to his or her election shall constitute his or her acceptance of such office; or he or she may execute such acceptance by a separate writing.

Section 4. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place, either within or without the State of Kansas, as shall from time to time be determined by the Board and in any manner, including by means of telephone conference, video, internet or similar communications equipment as provided in Section 7 of Article III of these Bylaws, provided that meetings of the Board must take place at least twice per year at the Master Association's principal office or at a location convenient for the Master Association Members during the period of Developer control of the Master Association or once per year not during the period of Developer control. All regular meetings of the Board and its committees must be open to the Master Association Members except for executive sessions of the Board, which are limited to discussions involving: (1) consultation with the Master Association's attorney; (2) litigation or related alternative dispute resolution proceedings; (3) labor or personnel matters; (4) leases, commercial transactions or purchase if information released would compromise the Master Association's position; and (5) matters that would violate the privacy of any Person. Copies of materials distributed to the Board except for unapproved minutes or materials for executive sessions shall be reasonably made available to the Master Association Members.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Developer, the President, or by any two (2) or more of the Directors. The place may be within or without the State of Kansas as designated in the Notice, as

described in Section 6 of this Article III. All special meetings of the Board and its committees must be open to the Master Association Members except for executive sessions of the Board, which are limited to discussions involving: (1) consultation with the Master Association's attorney; (2) litigation or related alternative dispute resolution proceedings; (3) labor or personnel matters; (4) leases, commercial transactions or purchase if information released would compromise the Master Association's position; and (5) matters that would violate the privacy of any Person. Copies of materials distributed to the Board except for unapproved minutes or materials for executive sessions shall be reasonably made available to the Master Association Members.

- Section 6. Notice of Meetings. Written or email notice of each meeting of the Board stating the place, date and hour of the meeting, and in the case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered or given to each Director and Master Association Member not less than five (5) days before the date of the meeting. All notices to Directors shall be delivered in accordance with the notice provisions set forth in Article II, Section 4 above.
- Section 7. Meetings by Telephone Conference or Similar Communications Equipment. Unless otherwise restricted by the Master Association Articles, Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video, internet or similar communications equipment 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.
- Section 8. Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Master Association Declaration or by the Master Association Articles. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- Section 9. Designation of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence of disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they

constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Master Association. No such committee shall have the power or authority in reference to amending the Master Association Articles, adopting an agreement of merger or consolidation, recommending to the Master Association members the sale, lease, or exchange of all or substantially all of the Master Association's property and assets, recommending to the Master Association Members a dissolution of the Master Association or a revocation of a dissolution, or amending these Bylaws. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

- Section 10. Minutes of Committee Meetings. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.
- Section 11. Vacancies. Any vacancies on the Board, however created, may be filled by a majority of the Directors then in office, even if less than a quorum, or by a sole remaining Director. The Directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, unless sooner displaced. If there are no Directors in office, then an election of Directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the Directors then in office shall constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Developer, in its discretion, may summarily fill any such vacancies or newly created directorships, or replace the directors chosen by the Directors then in office.
- Section 12. Removal of Director. Any member of the Board may be removed from office by action of the Master Association Members in accordance with the following procedures: Upon the presentation to the Master Association President of a petition duly executed by thirty-four percent (34%) or more of all of the Master Association Members in favor of the removal from office of the member or members therein named of the Board, a referendum of the Master Association Members shall be promptly held to determine whether such member or members of the Board should be removed from office. Upon the affirmative vote of two-thirds (2/3) of all of the Master Association Members to remove such member or members of the Master Association Board from office, such member or members shall be deemed removed from office. The attempt to remove such member or members of the Master Association Board must have been listed as an item in the notice for the Master Association Members' meeting. Also at such meeting, the member or officer being considered for removal must have a reasonable opportunity to speak before the vote



of the Master Association Members. Any vacancy on the Master Association Board created by the removal of a member of such Board as herein provided shall be filled by an election of all of the Master Association Members in the manner provided in the Master Association Articles or in this Article for the election of directors.

- Section 13. Resignations. Any Director may resign at any time upon written notice to the Master Association. Such resignation shall take effect at the time specified therein or, if no time is specified therein, shall take effect upon receipt thereof by the Master Association, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section 14. Non-Delegable Powers. The powers of the Master Association, the Board, and the Officers are non-delegable.
- Section 15. Restrictions on Board. Notwithstanding the foregoing, the Board may not perform any of the following acts: (1) amend the Declaration, except as provided by law; (2) amend these Bylaws; (3) terminate the Master Association; (4) elect a member or members of the Board except to fill vacancies on such board until the next election of members to the Board; and (5) determine the Board's qualifications, powers, duties, or terms of office.

#### **ARTICLE IV** Officers

- Section 1. Manner of Selection; Authorized Officers. The officers of the Master Association shall be elected by the Board of Directors at each annual meeting, or at such other time as the Board deems necessary or appropriate, as provided in Section 2 of this Article IV, and such officers shall include a President, a Secretary and a Treasurer. The Board of Directors may also elect one (1) or more Vice-Presidents, and one (1) or more Assistant Secretaries or Assistant Treasurers, and such other officers as it deems necessary to hold offices, to exercise such powers, and to perform such duties as shall be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.
- Section 2. Time for Selection of Officers. Officers of the Master Association shall be elected by the Board of Directors at each of its annual meetings, immediately following the annual meeting of Master Association Members or at such other time as the Board deems necessary or appropriate to fill vacancies as provided by Article IV, Section 5.
- Section 3. Appointment of Agents. The Board of Directors may appoint such other agents as it shall deem necessary or advisable to exercise such powers and perform such duties as shall be determined from time to time by the Directors.

Section 4. Compensation. The compensation of all officers and agents of the Master Association, if any, shall be fixed by the Board of Directors.

Section 5. Term. Each officer of the Master Association shall hold his or her office until his or her resignation, his or her removal, or his or her successor is elected and qualified, whichever occurs first. There shall be no term limits for officers. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors, or if the officer is a Director, upon the removal of the officer as a Director in accordance with Article III, Section 12 above. Any vacancy occurring in any office of the Master Association shall be filled by the Board of Directors.

Section 6. Powers and Duties. The officers of the Master Association shall have the following powers and duties:

***President***

The President shall be the chief executive and operating officer of the Master Association and shall perform such duties and have such powers as are provided in the Master Association Declaration or as the Board of Directors may from time to time prescribe. The President shall preside at all meetings of the Master Association Members and Directors, except that if the President is not available to preside at a meeting of the Board of Directors, the President shall designate a member of the Board to so preside.

To the extent not prohibited by law, or as otherwise herein expressly limited, The President of the Master Association shall be empowered to exercise control over the affairs of the Master Association and to act on behalf of, and bind, the Master Association in every instance wherein the Master Association is required or permitted to take any action. The action of the President shall at all times be subject to the review of the Board. A President may appoint such assistants as the President deems necessary and appropriate. No compensation shall be paid to any assistant except as provided in the budget of the Master Association or as otherwise approved by the Board.

Notwithstanding anything in this Section 6 of Article IV to the contrary, the President shall not have the power to borrow any funds on behalf of the Master Association, make any expenditures on behalf of the Master Association which are, in the aggregate, more than five percent (5%) in excess of the total amount of the Master Association's budget, or increase the amount of or levy any Assessment, without the prior approval of the Board.

In the event of any dispute or disagreement between any Owners, Master or Community Association Members, or any other Persons subject to the Master Association Declaration relating to any question of interpretation or application of the provisions of the Master Association Declaration, the Master Association Articles or these Bylaws, any Residential District Rule, or other rules of the Master Association, the determination thereof by the Master Association President shall be final and binding on each and all of such Owners, Master and Community Association Members, and Persons. The Master Association President may, at his or her election, delegate the resolution of such dispute or disagreement to the Master Association Board or a committee appointed by the President.

***Vice-President***

The Vice-President or Vice-Presidents, if elected, shall perform such duties and have such powers as the Board of Directors may from time to time prescribe or which the President may from time to time delegate. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President (or in the event there be more than one (1) Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President in his or her capacity as an officer (and not as a Director) of the Master Association, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

***Secretary and Assistant Secretary***

The Secretary or Assistant Secretary, if elected, shall record all proceedings of the meetings of the Board of Directors and all meetings of the Master Association Members in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary may also give, or cause to be given, notice of all meetings of the Master Association Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed in the Master Association Declaration or by the Board of Directors or which the President may from time to time delegate.

The Assistant Secretary, if there be one, shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or which the President may from time to time delegate.

***Treasurer and Assistant Treasurer***

The Treasurer shall have the custody of the Master Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Master Association and shall deposit all moneys and other valuable

effects in the name and to the credit of the Master Association in such depositories as may be designated by the Board of Directors.

Subject to the provisions of Article VI, Section 3, the Treasurer shall disburse the funds of the Master Association, keeping appropriate record of such disbursements, and shall render to the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Master Association.

If required by the Board of Directors, the Treasurer, or any Assistant Treasurer, shall give the Master Association a bond (which shall be renewed at least every six (6) years, unless sooner required by the Board of Directors) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office.

The Assistant Treasurer, if there shall be one, shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or which the President may from time to time delegate.

## **ARTICLE V**

### General Provisions

- Section 1. Prohibition of Dividends. No dividends may be declared by the Board of Directors. The Master Association is a corporation not organized for profit under Kansas law, and no part of its net earnings or income shall be distributed to its Members.
- Section 2. Special Purpose Reserves. As contemplated by the Master Association Declaration, there may be set aside out of any funds of the Master Association such sum or sums as the Directors from time to time, in their absolute discretion, deem proper as a reserve or reserves to meet contingencies, or for repairing or maintaining any property of the Master Association, or for such other purpose as the Directors deem conducive to the interests of the Master Association, and the Directors may modify or abolish any such reserve in the manner in which it was created.
- Section 3. Checks. All checks or demands for money and notes of the Master Association shall be signed by the Treasurer or such officer or officers or such other person or persons as the Board of Directors may from time to time authorize.
- Section 4. No Seal. The Master Association shall have no seal.

## ARTICLE VI

### Indemnification of Directors, Officers, Employees, and Agents

- Section 1. Indemnification Generally. The Master Association shall indemnify the Developer, any Director, officer, employee or agent of the Master Association (“Indemnified Person”) who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Master Association, by reason of the fact that the Indemnified Person is or was a Director, officer, employee, or agent of the Master Association, or is or was serving at the request of the Master Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Indemnified Person in connection with such action, suit, or proceeding, including attorney fees, if the Indemnified Person acted in good faith and in a manner the Indemnified Person reasonably believed to be in or not opposed to the best interests of the Master Association; and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Indemnified Person’s conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Master Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the Indemnified Person’s conduct was unlawful.
- Section 2. Indemnification in Derivative Actions. The Master Association shall indemnify any Indemnified Person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the Master Association to procure a judgment in its favor by reason of the fact that the Indemnified Person is or was the Developer or a Director, officer, employee, or agent of the Master Association, or is or was serving at the request of the Master Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses actually and reasonably incurred by the Indemnified Person in connection with the defense or settlement of such action or suit, including attorney fees, if the Indemnified Person acted in good faith and in a manner the Indemnified Person reasonably believed to be in, or not opposed to, the best interests of the Master Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which the Indemnified Person shall have been adjudged to be liable to the Master Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view

of all the circumstances of the case, the Indemnified Person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3. Amount of Indemnification. To the extent that an Indemnified Person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue or matter therein, the Indemnified Person shall be indemnified against expenses actually and reasonably incurred in connection therewith, including attorney fees.

Section 4. Insurance. The Master Association may purchase and maintain insurance on behalf of any Indemnified Person, or any person who is or was a Director, officer, employee, or agent of the Master Association, or is or was serving at the request of the Master Association as a director, officer, employee, partner, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Master Association would otherwise be authorized to indemnify him or her against such liability under the provisions of this Article.

Section 5. Extent of Indemnification. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to an Indemnified Person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of the Indemnified Person's heirs, executors, and administrators, unless otherwise provided by provision of written contract between the Master Association and the Indemnified Person or by resolution adopted by the Master Association's Board of Directors at any time in its sole discretion, with respect to which resolution no notice need be given to the Indemnified Person. If the Indemnified Person performs services or duties for the Master Association which entitle the Indemnified Person to be indemnified or to receive advanced payment of expenses hereunder, and is at the same time also entitled to receive indemnification with respect to such services or duties from a third party, then the Master Association shall indemnify or advance only that portion of the Indemnified Person's expenses which the Indemnified Person has been unable to receive (after making a reasonable effort satisfactory to the Master Association) from the third party.

## **ARTICLE VII**

### Amendments

These Bylaws may be altered or amended upon approval of not less than a majority of the Members; no amendment shall be contrary to or supersede the provisions of the Master Association Declaration or the Master Association Articles. The President may execute any amendment thus approved.

**ARTICLE VIII**  
Miscellaneous

- Section 1. Construction. The titles of the paragraphs and subparagraphs have been inserted as a matter of convenience and reference only, and shall not control or affect the meaning or construction of these Bylaws.
- Section 2. Conflict with Master Association Declaration; Incorporation of Master Association Declaration Provisions in Bylaws. These Bylaws are intended to be construed and interpreted in a manner consistent with the Master Association Declaration; however, if such consistency is not possible through reasonable construction and interpretation of these Bylaws, the provisions of the Master Association Declaration shall control. Any right, power, authority, discretion, or obligation granted, authorized, or imposed by the provisions of the Master Association Declaration shall be deemed to be so granted, authorized, or imposed to the same extent and with the same effect as if such provisions were set forth at length in these Bylaws.

**CERTIFICATION**

I, Mary L. Vanier, Secretary of the Grand Mere Property Residential District Master Association, hereby certify that the above and foregoing is a true and complete copy of the Restated Bylaws of the Grand Mere Property Residential District Master Association, as adopted by the Members as of the 11<sup>th</sup> day of November, 2015.

DATED: November 11, 2015.

  
Secretary