



255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

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Wood Creek Townhouse Association, Inc.

Included within are the following documents
pertaining to the Wood Creek Townhouses:

- Articles of Incorporation – January 16, 1982
- Declaration of Wood Creek Townhouses – September 15, 1986
- Amended Bylaws of Wood Creek Townhouse Association, Inc. – September 15, 1986
- Amended Bylaws of Wood Creek Townhouse Association, Inc. – March 15, 2000
- Amended Bylaws of Wood Creek Townhouse Association, Inc. – March 15, 2012
- Rules and Regulations for Wood Creek Townhouses



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Wood Creek Townhouse Association, Inc.

Articles of Incorporation

January 6, 1982

STATE OF KANSAS



OFFICE OF SECRETARY OF STATE
JACK H. BRIER • SECRETARY OF STATE

To all to whom these presents shall come, Greeting:

I, JACK H. BRIER, Secretary of State of the State of Kansas, do hereby certify that the following and hereto attached is a true copy of

Articles of Incorporation

of

Woodcreek Townhouse Association, Inc.

FILED:

January 6, 1982

the original of which is now on file and a matter of record in this office.

IN TESTIMONY WHEREOF:

I hereto set my hand and cause to be affixed my official seal.

Done at the City of Topeka, this sixth day of
January, A.D. 1982.



Jack H. Brier
JACK H. BRIER
SECRETARY OF STATE

By *Willa M. Roe*
Assistant Secretary of State
WILLA M. ROE

02 JAN 6 AM 10 52

ARTICLES OF INCORPORATION

STATE OF
KANSAS
WOODCREEK TOWNHOUSE ASSOCIATION, INC.

We, the undersigned, hereby form and establish a corporation not for profit under the laws of the State of Kansas.

ARTICLE I

Name

The name of the corporation shall be Woodcreek Townhouse Association, Inc., which corporation shall hereinafter be referred to as the Association.

ARTICLE II

Purpose

The purpose for which the Association is organized is to provide a legal entity for the Association of Townhouse Owners pursuant to the Townhouse Ownership Act of the State of Kansas, Chapter 58, Article 37, Kansas Statutes Annotated, for the ownership of common areas and facilities as described in the Declaration of Woodcreek Townhouses and the operation and management of Woodcreek Townhouses, located in the City of Lawrence, Douglas County, Kansas.

ARTICLE III

Powers

The powers of the Association shall include, and the Association shall be governed by, the following provisions:

1. The Association shall have all of the common law statutory powers of a corporation not for profit under the laws of the State of Kansas which are not in conflict with the terms of these Articles.
2. The Association shall have all of the rights, powers, and duties imposed upon or offered to the Association of Townhouse Owners set forth in the Kansas Townhouse Ownership Act, except as limited by these Articles and the Declaration of Woodcreek Townhouses, and shall also have all of the rights, powers and duties reasonably necessary to operate the Woodcreek Townhouses and the common

areas and facilities as set forth in said Declaration, as it may from time to time be amended, including, but not limited to, the following:

(a) To make and collect assessments against members of the Association to defray the costs, expenses, and losses of the Association.

(b) To use the proceeds of assessments in the exercise of its powers and duties.

(c) To provide, furnish, and contract for the maintenance, repair, replacement, operation, and management of the common areas and facilities and any property leased by the Association for use by the Townhouse Owners; to authorize and construct improvements and additions to the common areas and facilities; to lease common areas and facilities to others and to lease other property for and on behalf of the Townhouse Owners.

(d) To purchase insurance upon the common areas and facilities and the townhouse units for the protection of the Association and its members.

(e) To repair, reconstruct, and rebuild the common areas and facilities and townhouse units after casualty.

(f) To make reasonable rules and regulations respecting the use of the properties, as defined in the Declaration.

(g) To enforce by legal means the provisions of the Townhouse Ownership Act, the Declaration of Woodcreek Townhouses, these Articles of Incorporation, the Bylaws of the Association and the rules and regulations for the use of the properties.

(h) To contract for the management of the properties and to delegate management duties to a qualified person, firm, or corporation, as to all powers and duties of the Association except the following: those that are specifically required by the Declaration of Woodcreek Townhouses to have approval of the Board of Directors or of the membership

of the Association; and those that are specifically made nondelegable by the Declaration of Woodcreek Townhouses.

(i) To employ personnel necessary to perform the services required for proper operations of the properties.

3. No part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of corporation property, and other than by a rebate of excess membership dues, fees, or assessments) for the benefit of any private individual.

4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Woodcreek Townhouses and the Bylaws; provided, however, that notwithstanding any other provision of these Articles, the Declaration of Woodcreek Townhouses, and the Bylaws, the Association shall not carry on any activity not permitted to be carried on by a corporation qualifying as a "homeowner's association" under Section 528(c) of the Internal Revenue Code of 1954 (or with a corresponding provision of any future United States Internal Revenue law).

ARTICLE IV

Members

1. The members of the Association shall consist of all of the record owners of townhouse units in Woodcreek Townhouses in Lawrence, Kansas.

2. Transfer of membership in the Association shall be established by the recording in the Office of the Register of Deeds of Douglas County, Kansas, of a deed or other instrument establishing a conveyance of the record title to a townhouse located in the properties and the delivery to the Association of a certified copy of such instrument, the owner or owners designated by such instrument thereby becoming a member or members of the Association. The prior owner's or owners' membership in the Association shall be thereby terminated.

3. The share of a member in the funds and assets of the

Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his or her townhouse unit.

4. Members of the Association shall be entitled to voting rights as set forth in the Declaration of Woodcreek Townhouses and in the Bylaws.

ARTICLE V

Directors

1. The affairs of the Association will be managed by a Board of Directors consisting of the number of directors determined in the manner set forth in the Bylaws of the Association, but such number shall be not less than three.

2. The directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

3. Until Class B membership shall terminate, as provided in the Declaration of Woodcreek Townhouses, the Board of Directors shall be composed of five (5) persons appointed by the Declarant. Thereafter, the Board of Directors shall be composed of nine (9) persons, all of whom shall be townhouse unit owners, or in the case of partnership owners, shall be members or employees of such partnership, or in the case of corporate owners, shall be officers, stockholders, or employees of such corporations, or in the case of fiduciary owners shall be the fiduciaries or officers or employees of such fiduciaries. Notwithstanding anything herein to the contrary, Declarant shall be entitled to elect not less than one (1) member of the Board of Directors so long as Declarant is the owner of one (1) or more townhouse units.

4. Declarant at all times reserves the right to terminate its right to appoint members to the Board of Directors notwithstanding the provisions of paragraph 3 of this Article V.

5. The directors herein named shall serve until the first election of directors by Association members, and any vacancies

in their number occurring before the first election of directors by Association members shall be filled by the Declarant.

6. The names and mailing addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Robert E. Gleeson	P. O. Box 1768 Sioux City, Iowa 51101
John Gleeson	P. O. Box 1768 Sioux City, Iowa 51101
Fred Davenport, Jr.	1501 Pierce Sioux City, Iowa 51101
David Davenport	407 11th Street Sioux City, Iowa 51101
Larry Claeys	2919 Hamilton Blvd. Sioux City, Iowa 51101

ARTICLE VI

Indemnification

Every director, and every officer of the Association, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by, or imposed upon him, in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being, or having been a director or officer of the Association, whether or not he is a director or officer of the Association at the time such expenses or liability are determined, except in such cases wherein the director or officer is adjudged or determined to be guilty or willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement of any claim, indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled.

ARTICLE VII

Bylaws

The first Bylaws of the Association shall be adopted by the

Board of Directors named herein, and may be altered, amended or rescinded in the manner provided by the Bylaws.

ARTICLE VIII

Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. A resolution for the adoption of an amendment may be proposed by either the Board of Directors or by any ten (10) or more members of the Association. Members not present in person at the meeting considering the amendment may express their approval by proxy, providing such proxy is delivered to the Secretary of the Association at, or prior to, the meeting. Until Class B membership shall terminate as provided in the Declaration of Woodcreek Townhouses, these Articles may be amended only by the Declarant, or the Declarant and the Board of Directors. Thereafter these Articles may be amended by the vote of 75% of the townhouse unit owners at a meeting of townhouse unit owners duly held for such purpose.
3. No amendment shall make any changes in the qualifications for membership or in the voting rights of members, or any change in paragraphs 3 or 4 of Article III hereof, without approval in writing by all members.
4. A copy of each amendment to the Articles of Incorporation as approved shall be accepted and certified by the Kansas Secretary of State and recorded in the Office of the Register of Deeds of Douglas County, Kansas.

ARTICLE IX

Disposition of Assets Upon Dissolution

Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to

be devoted by the Association. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the Declaration of Woodcreek Townhouses unless made in accordance with the provisions of such Declaration.

ARTICLE X

Term

The duration of the corporation's existence shall be perpetual.

ARTICLE XI

Registered Office and Resident Agent

The location of the Association's registered office is 1031 Vermont Street, Lawrence, Douglas County, Kansas 66044, and the name of its resident agent at such address is Phillip Bay.

ARTICLE XII

The corporation shall not have authority to issue capital stock.

ARTICLE XIII


The names and addresses of each of the incorporators executing and signing these Articles of Incorporation are:

John W. Gleeson

P. O. Box 1768
Sioux City, Iowa 51101

Larry Claeys
2919 Hamilton Blvd.
Sioux City, Iowa 51101

IN TESTIMONY WHEREOF, we have hereunto subscribed our names this 2nd day of January, 1982.



John W. Gleeson

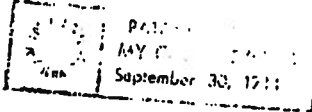


Larry Claeys

STATE OF Kansas)
) ss:
COUNTY OF Waukegan)

BE IT REMEMBERED, that on this 2nd day of January, 1982, before me, the undersigned, a notary public in and for the county and state aforesaid, came John W. Gleeson and Larry Claeys, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year last above written.



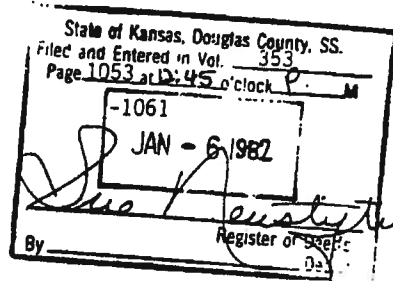
Patricia Jewell
Notary Public

My appointment expires September 30, 1984

63091

NO. _____ ✓
INDEXED _____ ✓
RECORDED _____ ✓

Compare with record



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255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

E-mail: WoodCreekMail@gmail.com

Wood Creek Townhouse Association, Inc.

**Declaration of Wood Creek
Townhouses**

September 15, 1986

8697

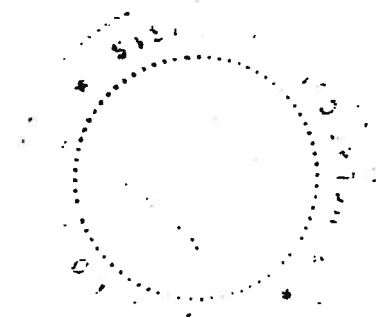
DECLARATION

OF

WOODCREEK TOWNHOUSES

8697

State of Kansas, Douglas County, SS.
 Filed and Entered in Vol. 396
 Page 1284 - 4:31 P M
 1321
 SEP 15 1986
 By *Dee K. Hensley*
 Register of Deeds
 Deputy



ORIGINAL COMPARED WITH RECORD

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DECLARATION OF WOODCREEK TOWNHOUSES

THIS DECLARATION, made on this 15th day of September, 1986, by Woodcreek Management Company, hereinafter referred to as "Declarant," pursuant to the provisions of the Kansas Townhouse Ownership Act for the purpose of submitting the real estate which is hereinafter described and the improvements located or to be located thereon to the provisions of the Kansas Townhouse Ownership Act.

1. Submission of Real Estate to Kansas Townhouse Ownership Act. Declarant is the record owner of the following-described real estate located in Woodcreek Townhouse Addition, a Replat of Hope Plaza Addition, in the City of Lawrence, Douglas County, Kansas:

Beginning at the Southeast corner of Woodcreek Townhouse Addition; thence S89°58'W, a distance of 841.97 feet; thence N00°00'W, a distance of 661.41 feet; thence N89°58'E, a distance of 841.97 feet; thence S00°00'E, a distance of 200.00 feet; thence S89°58'W, a distance of 293.00 feet; thence N00°00'E, a distance of 49.51 feet; thence N74°32'01"W, a distance of 38.24 feet; thence on a curve to the left with a radius of 205.00 feet, an arc length of 360.87 feet; thence N 89°51'17"E, a distance of 161.69 feet; thence N00°08'43"W, a distance of 65.12 feet; thence N89°49'01"E, a distance of 134.35 feet; thence S00°00'W, a distance of 214.56 feet; thence N89°58"E, a distance of 293.00 feet; thence S00°00'W, a distance of 191.41 feet to the point of beginning, containing 10.11 acres, all in the City of Lawrence, Douglas County, Kansas.

Also known as Woodcreek Townhouse Addition, less a tract for Woodcreek Condominium.

which Declarant submits to this Declaration and to the provisions of the Kansas Townhouse Ownership Act.

2. Definitions. The terms used in this Declaration and in its exhibits shall have the meanings stated in the Kansas Townhouse Ownership Act, K.S.A. 58-3701 through 58-3713, as such act may be amended from time to time, and which is hereinafter referred to as the Townhouse Ownership Act, and as follows, unless the context otherwise requires:

2.1. Townhouse Unit means unit as defined by the Townhouse Ownership Act and as described in paragraph 3 of this Declaration.

2.2. Townhouse Unit Owner means unit owner as defined by the Townhouse Ownership Act, and shall include the contract purchaser of a townhouse unit who has complied with the provisions of paragraph 10.12 of this Declaration.

2.3. Association of Townhouse Owners, referred to also as Association, means Woodcreek Townhouse Association, Inc., a Kansas not-for-profit corporation and its successors.

2.4. Condominium Association means Woodcreek Condominium Association, Inc., a Kansas not-for-profit corporation and its successors, which is responsible for the operation of a condominium located adjacent to, and which shall be operated and maintained in conjunction with, the Association.

2.5. Community Association means the Woodcreek Community Services Association, Inc., a Kansas not-for-profit corporation and its successors, which shall have, pursuant to a contract with the Association and the Condominium Association, the obligation to maintain the properties, as hereinafter described, and the properties governed by the Condominium Association.

2.6. Common Areas and Facilities means and includes all areas of land on the plat other than the lots, as hereinafter defined, together with the following:

(a) All recreational facilities, structures, playground equipment, trees, landscaping, or other improvements located upon real estate owned by the Association, except that the air conditioner pad and compressor to each air conditioner serving a townhouse unit shall not be a part of the common area and facilities, but shall be considered a part of the townhouse unit served by such pad and compressor.

(b) All private streets and drives located upon real estate owned by the Association;

(c) All installation of central services, if any, for the benefit of more than one townhouse unit owner, such as trash receptacles, pipes, wires, conduits, and other public utility lines and facilities;

(d) All easements, rights, and appurtenances thereto necessary for the existence, maintenance, and safety of the townhouse units;

(e) All personal property owned by the Association intended for use by the Association in the exercise of its powers as set forth in this Declaration.

2.7. Common Expenses mean and include:

(a) Expenses of administration; insurance expenses; outside lighting expenses and maintenance; and expenses incurred in the maintenance, operation, repair and replacement of the common areas and facilities and the portions of the townhouse units to be maintained by the Association;

(b) Expenses declared common expenses by the Association and assessed against the townhouse unit owners;

(c) Expenses declared common expenses by provisions of the Townhouse Ownership Act; and

(d) Expenses incurred in providing personal property, including recreational equipment, for the use and enjoyment of recreational areas to which the Owners have the right of use and access under easements granted by Declarant.

2.8. Declaration means this instrument submitting the Property to the Townhouse Ownership Act.

2.9. Person(s) means a natural individual(s), corporation, partnership, trustee, or other legal entity capable of holding title to real property.

2.10. Plat means the plat of survey of the above-described real estate which is filed concurrently herewith in the Office of the Register of Deeds of Douglas County, Kansas, and is incorporated herein by reference.

2.11. Properties mean all the land, property or properties and space, all improvements and structures erected, constructed, or contained therein or thereon, including the buildings and all easements, therein or thereon, and all rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit, or enjoyment of the townhouse unit owners, and which have been submitted to the provisions of the Townhouse Ownership Act by this Declaration or by amendments thereto in accordance with paragraph 21 of this Declaration.

2.12. Lot means and refers to the lots as shown and numbered on the Plat of Survey and the lots included in the

submitted land as shown on the Replat of Lot 1, Hope Plaza Addition to the City of Lawrence, Douglas County, Kansas, but shall not include any portion of the common area.

2.13. Building means a structure within the properties composed of townhouse units.

2.14. Declarant means Woodcreek Management Company, a joint venture, its successors and assigns.

3. Description of Townhouse Units. The townhouse units are identified and described on the Plat, which is by reference made a part hereof. Each townhouse unit is a part of a building which contains townhouse units joined together by a common or party wall, and having a common roof and foundation. Each townhouse unit is a part of the lot on which it is situated, and is legally described, together with such lot, on the plat.

4. Property Rights.

4.1. Ownership of Townhouse Units. Upon recording this Declaration and the plat the property shall become subject to the provisions of the Townhouse Ownership Act, and all townhouse units shall thereupon be capable of ownership in fee simple or any lesser estate and may thereafter be conveyed, leased, mortgaged, or otherwise dealt with in the same manner as other real property, but subject, however, to the provisions, conditions, and limitations imposed by the Townhouse Ownership Act, this Declaration, the Bylaws, and Rules and Regulations of the Association.

4.2. Townhouse Unit Owners' Easements of Enjoyment. Every townhouse unit owner shall have a right and easement of enjoyment in and to the common area, which shall be appurtenant to and shall pass with the title to every townhouse unit subject to the following provisions:

(a) the right of the Association to adopt rules and regulations governing the use and enjoyment of the common area, and to suspend the voting rights of, and rights to the use of the recreational facilities located in and upon the common area by a townhouse unit owner for a period not to exceed sixty (60) days for any infraction of such adopted and published rules and regulations.

(b) the right of the Association to suspend the voting rights and the rights to the use of the recreational facilities located in and upon the common area by a townhouse unit owner for any period during which any assessment against his townhouse unit remains unpaid.

(c) the right of the Association to dedicate or transfer all or any part of the common area to any public

agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

(d) the right of the Declarant and of the Association, in accordance with its articles and bylaws, to borrow money for the purpose of improving the common area and in aid thereof to mortgage all or any part thereof. In the event of a default upon any such mortgage the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the townhouse unit owners and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored. No lender shall, however, have the right to take possession of, or charge admission to, private streets, parking areas, and other parts of the common areas reasonably necessary for ingress to and egress from the townhouse units, if such possession or admission interfere with the unimpeded access of a townhouse unit owner to his townhouse unit.

(e) the right of the Association to take such steps as are reasonably necessary to protect the above-described common areas and facilities against foreclosure.

4.3. Delegation of Use. Any townhouse unit owner may delegate his right of enjoyment of the common area and facilities to the members of his family, his tenants, or contract purchasers who reside in his townhouse unit.

4.4. Parking Rights. Each townhouse unit shall be entitled to the exclusive use of one (1) parking space, together with the right of ingress and egress to and from such space. The location of such parking spaces and the use of other parts of the common area for nonexclusive parking shall be determined by the Association, and the use thereof shall be subject to this Declaration, the Bylaws, and Rules and Regulations of the Association.

4.5. Title to Common Area. Declarant may retain the legal title to the common area until such time as it has completed improvements thereon and until such time as, in the opinion of Declarant, the Association is able to maintain the same but, notwithstanding any provision herein, Declarant hereby covenants, for itself, its successors and assigns, that it shall convey the common area to the Association, free

and clear of all liens and encumbrances, not later than September 1, 1991.

4.6 Easements.

(a) An easement is hereby created in favor of each townhouse unit owner, members of his family, his tenants, guests, invitees, and licensees, in and to that portion of the common area, whether or not it is shown on the plat, which is improved or constructed as a private drive, for the purpose of pedestrian and vehicular ingress and egress to and from the townhouse units, which easement shall be perpetual and non-exclusive for the common benefit and use of the townhouse unit owners, members of their families, their guests, tenants, invitees, and licensees.

(b) An easement is hereby created in favor of the Association, permitting it to enter into or upon any lot, building, or townhouse unit for the purpose of performing its powers and duties as delineated herein, and in its articles of incorporation and bylaws. The right established in this paragraph shall be exercised in a reasonable manner. Public utilities furnishing services for common use, such as water, electricity, gas, sewerage, telephone, and cable television to the properties shall have access to the common areas and facilities, the lots, the buildings, and the townhouse units as may be necessary for the installation, repair, or maintenance of such services.

(c) For the purpose of supplying utilities and various services to the townhouse units and common area, the Declarant shall have and does hereby reserve unto itself, its successors, and assigns, easements to locate, construct, maintain, and use, or authorize the location, construction, maintenance and use of such portions of the properties as it may designate for drains, sanitary and storm sewers, gas and water mains and lines, electrical and telephone lines, cable television conduits and lines, community television antenna lines, fire warning and security systems and other utility lines and conduits for any and all purposes.

(d) A party wall easement is hereby established over that part of any townhouse unit in which any part of a common wall between townhouse units is constructed, together with the right to restore any such party wall, and such party wall may contain plumbing lines, vent stacks for plumbing and heating, electricity pipes and conduits and fireplace flues, serving improvements using such party wall. Such party wall easement shall be a cross-easement in favor of each townhouse unit involved with such common walls.

(e) There is reserved for the benefit of each townhouse unit, as dominant tenement, of such portion of the

properties and each other townhouse unit jointly as the servient tenement, as shall be encroached upon, used, and occupied by the owner of the dominant tenement as a result of any construction errors, errors in survey, errors in platting, movement or subsidence of a townhouse unit or building or any portion thereof.

(f) An easement for utility services is hereby reserved for the benefit of each townhouse unit, as dominant tenement, over, under, and through the properties and each other townhouse unit jointly as the servient tenement.

(g) The following additional easements are also created and established over, under, and across all townhouse units:

(i) For the purpose of draining snow and rain water from the roof of any part of a building through gutters, downspouts, and drains located on any other part of such building.

(ii) For the purpose of a supporting roof of any townhouse unit which is a common roof of such townhouse unit and another townhouse unit.

(g) All easements and rights herein established shall run with the land, and unless in gross, inure to the benefit of and be binding upon the owners of all townhouse units in the properties and additions thereto, and their successors, heirs, and assigns, whether such easements are mentioned or described in any deed of conveyance.

5. Membership and Voting Rights.

5.1. Townhouse unit owners. Every owner of a townhouse unit which is subject to assessment or subject to payment of maintenance expenses pursuant to subparagraph 8.15 of this Declaration, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any townhouse unit which is subject to assessment or to payment of maintenance expenses pursuant to subparagraph 8.15 of this Declaration. Members may vote at any meeting of the Association in person or by written proxy duly filed with the Secretary of the Association.

5.2. Classes of membership. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all owners, with the exception of the Declarant, who shall be entitled to one vote for each townhouse unit owned. When more than one person holds and interest in any townhouse unit, all such

persons shall be members. The vote for such townhouse unit shall be exercised as such persons shall among themselves determine, but in no event shall more than one vote be cast with respect to any townhouse unit.

(b) Class B. Class B member shall be the Declarant and shall be entitled to ten (10) votes for each townhouse unit owned by Declarant. The Class B membership shall terminate and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(ii) on September 1, 1991.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each townhouse unit in which the Class B member holds the interests required for membership under subparagraph 5.1.

6. Powers and Duties of the Association.

6.1. Duties. The Association shall have the following duties:

(a) To maintain, repair, and replace the exterior of all buildings, including but not limited to all structural parts, party walls, roofs, guttering, eaves, and any other items not in the interior of a townhouse unit; provided, however, that the maintenance and repair of patio areas shall be the responsibility of the owner of the townhouse unit to which such patio is a part. The exterior of a building shall not, however, include any windows, windowglass, screens, or storm windows.

(b) To improve, maintain, and repair the common area and facilities and to replace items therein when necessary, all of which includes but is not limited to, grass areas, flower gardens, shrubs, trees, plants, streets, curbs, walkways, drainage and lighting facilities, removal of snow and ice, and recreational facilities and other parts and accessories in and to the common area.

(c) To pay all real estate taxes levied against the common area.

(d) To obtain and provide public liability, casualty, and other such insurance deemed necessary by the

Association for the common area and townhouse units, as more specifically set forth herein and in Paragraph 9 hereof.

(e) To employ a responsible contractor to restore, reconstruct, replace, or repair any townhouse unit or building which has been completely or partially damaged or destroyed by fire or any other hazard or occurrence, and to pay for any such work from the insurance proceeds and to collect any excess of the cost of any such work over the said insurance proceeds as set forth in subparagraph 9.1 hereof.

(f) To make and enforce rules and regulations establishing the location of exclusive parking spaces and the use of the common area for non-exclusive parking of vehicles.

(g) To do and perform such other things as may from time to time be necessary to maintain the quality and appearance of the common area and the buildings.

6.2. Powers. The Association shall have the following powers:

(a) To fix, levy, and collect special assessments and assessments as common expenses or otherwise, against each townhouse unit as hereinafter set forth in Paragraph 8, for the purpose of performing its duty to maintain, repair, and replace the exterior of all buildings pursuant to subparagraph 6.1(a) hereof.

(b) To fix, levy, and collect assessments as common expenses or otherwise, against each townhouse unit as hereinafter set forth in Paragraph 8, for the purpose of performing its duty to maintain and repair the common area and other parts of the properties, and to replace items therein necessary pursuant to pursuant to subparagraph 6.1(b) hereof.

(c) To collect and pay as common expenses real estate taxes levied against the common area.

(d) To collect as a common expense, or otherwise, and to pay the premiums for such public liability, casualty, and other insurance for the common area and townhouse units required by Paragraph 9 hereof.

(e) To restore, reconstruct, replace, or repair any townhouse unit which has been damaged, as set forth in subparagraph 9.1, to collect and receive the proceeds from any insurance company covering loss or damage by fire or other hazard or occurrence to any townhouse unit, and to pay out of such proceeds the cost of any such restoration, reconstruction, replacement, or repair hereinabove mentioned,

and to collect any excess of the cost of any such work over such insurance proceeds from the owner or owners of the respective townhouse unit incurring such excesses, all as hereinafter provided in subparagraph 9.1.

(f) To adopt and publish such rules and regulations that it from time to time considers to be necessary for the enjoyment by the townhouse unit owners of the common area and for the preservation of the quality and appearance of the properties, and to amend such rules and regulations.

(g) To enter into contracts with Declarant and others for the purpose of providing recreational areas and facilities to townhouse unit owners.

(h) To enter into contracts with the Community Association with respect to maintaining the properties and carrying out the duties of the Association as set forth in this Declaration, including, but not by limitation, maintaining, repairing, and replacing the common area and the buildings; insuring the common area and buildings; determining and collecting common expenses and special assessments, subject, however, to the approval of the board of directors of the Association; and enforcing the Declaration and Rules and Regulations on behalf of the Association and owners.

7. Maintenance Obligations of Townhouse Unit Owners.

7.1. Interior Maintenance. Each townhouse unit owner shall maintain in good condition and repair the interior of his townhouse unit, together with such other portions of this townhouse unit for which the Association shall not have the duty to maintain, repair, and replace. Any flues, ducts, conduits, wires, pipes, sewer lines, or other apparatus or any portion or part thereof lying partially within and partially outside of the interior of a townhouse unit and which serve only that townhouse unit shall be deemed to be within the interior of the townhouse unit and shall be maintained by the owner thereof. The air conditioner pad and compressor to each air conditioner serving a townhouse unit shall be considered a part of such townhouse unit and shall be maintained, repaired, and replaced by the townhouse unit owner even though such pad and compressor are located outside of the townhouse unit. Any flues, ducts, conduits, wires, pipes, sewer lines, or other apparatus or any portion or part thereof lying partially within and partially outside of the interior of a townhouse unit which serve more than one townhouse unit shall be deemed to be outside of the interior of the townhouse unit and shall be maintained by the Association as a part of the common area and facilities.

7.2. Exterior Painting. No townhouse unit owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of his townhouse unit or do any work

which would jeopardize the soundness or safety of the properties, reduce the value thereof, or impair any easement or hereditament without in every such case first obtaining the written consent of the Association. A townhouse unit owner shall promptly report to the Association any defect or need for repairs for which the Association is responsible. It shall be the further duty of each townhouse unit owner to maintain in good condition his patio, and to exercise reasonable efforts to prevent the common areas from accumulating debris, litter, or other unsightly objects.

7.3. Cooperation with Association. A townhouse unit owner shall promptly report to the Association any defect or need for repairs for which the Association is responsible. Each townhouse unit owner shall have the further duty to cooperate with the Association in order that his patio will be well-maintained and to exercise reasonable efforts to prevent the common areas from accumulating debris, litter, or other unsightly objects.

8. Covenant for Assessments.

8.1. Assessments for Common Expenses. The Declarant for each townhouse unit within the property hereby covenants, and each owner of any townhouse unit by acceptance of a deed therefor, whether it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association assessments or charges to be fixed, established, levied, and collected from time to time as hereinafter provided, which assessments shall include but not be limited to real estate taxes levied against the common area, liability and casualty insurance, and other expenses necessary for the maintenance of the buildings and common area, as herein provided.

8.2. Determination and Payment of Assessments. The Board of Directors of the Association shall adopt a budget for each calendar year on or before the second Monday in December of the year preceding the year for which the budget is made, which budget shall contain estimates of the costs of performing the functions of the Association, taking into consideration overages and/or shortages from previous years, making provisions therefor, and including but not limited to, assessments for common expenses, alterations and improvements, reconstruction and repairs, reserves, including reserves for capital improvements, and emergencies. Concurrently therewith, the Board of Directors shall prepare the proposed assessment against each townhouse unit owner, on the basis that the costs as estimated shall be borne equally by the townhouse unit owners. The assessment against each townhouse unit owner shall be due and payable in consecutive monthly payments, in such amounts as may be determined by the Board of Directors, on the first day of each month, beginning with January of the year for which the assessment is made. A copy of each annual budget, together with the proposed

assessment to be made against each townhouse unit owner, shall be delivered to each such owner on or before the first day of the calendar year for which the budget and assessments are prepared. If an annual budget or proposed assessment is not made as required, a payment in the amount required by the last prior assessment shall be due from each townhouse unit owner upon each assessment payment date until changed by a new assessment made by the Board of Directors. Within sixty (60) days following each calendar year the Board of Directors shall send to each townhouse unit owner an annual report of assets and liabilities of the Association issued as of the last day of said calendar year. Copies of the budget, the assessments, and the annual report shall be furnished to any mortgagee or to any townhouse unit owner upon request.

8.3. Other Assessments. Other assessments shall be made by the Board of Directors in accordance with the provisions of the Declaration, the Bylaws, and as otherwise required by the lawful resolution of the Board of Directors.

8.4. Assessments for Emergencies. Assessments for common expenses resulting from emergencies which cannot be paid from an appropriate expense account may be made by the Board of Directors from time to time.

8.5. Assessments for Purchase or Lease. Assessments may be made from time to time by the Board of Directors to defray the cost involved in the acquisition or leasing by the Board of Directors on behalf of the townhouse unit owners of any townhouse unit purchased, acquired, or leased by the Board of Directors pursuant to the provisions of the Declaration, the Bylaws or the Townhouse Ownership Act.

8.6. Assessment Roll. The assessments against all townhouse unit owners shall be set forth upon a roll of the townhouses which shall be available in the office of the Association for inspection at all reasonable times by townhouse unit owners or their duly authorized representatives. Such roll shall indicate for each townhouse unit the name and address of the owner or owners, the assessments, and the amounts of all assessments paid and unpaid.

8.7. Liability for Assessments. The owner of a townhouse unit and his grantee shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance of the unit. Such liability may not be avoided by a waiver of the use and enjoyment of any common area or facility or by abandonment of the townhouse unit for which the assessments are made.

8.8. Maximum Annual Assessment. Until December 31, 1986, the maximum monthly assessment shall be \$27.00 per

townhouse unit. Thereafter, the assessment shall be determined in accordance with subparagraph 8.2.

8.9. Date of Commencement of Assessments. The assessments provided for by this Paragraph 8 shall commence as to each townhouse unit on the first day of the month following the date on which the owner of such townhouse unit becomes a member of the Association pursuant to this Declaration and the Bylaws of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

8.10. Default in Payment of Assessments.

(a) In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts secured by a first real estate mortgage, or fifteen percent (15%) whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in attempting to collect such unpaid assessments. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in subparagraph 8.11.

(b) A townhouse unit owner in default in the payment of any assessment for a period of thirty (30) days after the same becomes due shall not be entitled to vote at any meeting of the townhouse unit owners so long as such default continues, except with respect to matters requiring the unanimous consent of all townhouse unit owners.

(c) Except as set forth in subparagraph 11.12 of this Declaration no townhouse unit owner shall be liable for the payment of any part of an assessment against his townhouse unit assessed subsequent to a sale, transfer or other bona fide conveyances by him of such townhouse. In addition, any townhouse unit owner owning the fee simple interest in his townhouse unit, may, subject to the consent of the Board of Directors, and provided that his townhouse unit is free and clear of liens and encumbrances other than a bona fide first mortgage and a lien

for unpaid assessments, convey his townhouse unit to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other townhouse unit owners, and in such event be exempt any assessment thereafter made.

8.11. Liens for Assessments.

(a) All sums assessed by the Association against a townhouse unit owner and which are not paid shall constitute a lien on such townhouse unit and the lot on which it is situated, and shall be prior to all other liens except only (i) tax liens on the townhouse unit and lot in favor of any political subdivision, municipal corporation, special benefit district, or other state or federal taxes which are by law a lien on the interest on such townhouse unit owner prior to previously recorded encumbrances thereon, and (ii) all sums unpaid on a first mortgage of record. Such lien may be foreclosed by suit by the Board of Directors of the Association in like manner as a mortgage on real property. In any such foreclosure, the Association shall have power to bid in the townhouse unit and lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same.

(b) Where the mortgagee of a first mortgage of record or other purchaser of a townhouse unit obtains title to a townhouse unit as a result of a foreclosure of the first mortgage or by a deed executed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments chargeable to such townhouse unit which become due prior to the acquisition of title to such townhouse unit by the acquirer and such acquirer of title shall take the property free of any claims for unpaid assessments or charges against the mortgaged townhouse unit which accrued prior to the time of acquisition of such title. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all the townhouse unit owners including such acquirer, his successors, and assigns.

(c) In a voluntary conveyance the grantee of a townhouse unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for grantor's share of the common expenses up to the time of the grant of conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Provided, however, that any such grantee shall be entitled to a

statement from the Board of Directors of the Association setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be subject to a lien for any unpaid assessments against the grantor in excess of the amount therein set forth.

8.12. Rental Pending Foreclosure. In any foreclosure of a lien for assessments the owner of the townhouse unit subject to the lien shall be required to pay a reasonable rental for the townhouse unit, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same.

8.13. Statement of Assessments. Upon written request therefor, the Board of Directors shall provide any townhouse unit owner with a written statement of all unpaid assessments due from such townhouse unit owner. Such statement shall be furnished within ten (10) days after receipt of said request.

8.14. Accounts. All sums collected by the Association from assessments may be commingled in a single fund but they shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as determined by the Board of Directors, but shall include the following:

(a) Common Expense Account--to which shall be credited collections of assessments for all common expenses as well as payments received as income from the rental or use of any of the common areas and facilities;

(b) Reconstruction and Repair Account--to which shall be credited all sums collected for alterations and improvement assessments;

(c) Reconstruction and Repair Account--to which shall be credited all sums collected for reconstruction and repair assessments;

(d) Emergency Account--to which shall be credited all sums collected for emergencies;

(e) Reserve Account--to which shall be credited all funds required by the Board of Directors for working capital of the Association, general operating reserves, reserves for replacement and maintenance, and funds required to make up deficits in the expenses for any prior year.

8.15. Declarant's Payments During Sale and Development Period. Notwithstanding anything in this Declaration to the contrary, following the commencement of assessments and

during the development and sale period (which shall mean the period up to the time that Class B membership is converted to Class A membership) Declarant, even though a member of the Association, shall not be responsible for the payment of the regular Association assessment except for any townhouse unit which it actually uses for purposes other than display for sale. However, Declarant shall be required to pay a proportionate share of the Association insurance costs and maintenance expenses actually incurred based upon the total number of townhouse units owned by Declarant at the time the expense is incurred. In no event shall Declarant be responsible for the payment of any assessments for deferred maintenance, reserves for replacements, capital improvements, or other assessments during the development and sale period except for any townhouse unit which it actually uses for purposes other than display for sale.

8.16. The Association may, in its discretion, delegate by contract to the Community Association the obligation to establish and collect assessments, maintain accounts, and enforce assessments, whether by foreclosure of a lien or otherwise, as provided in this Paragraph 8, but the Association shall, notwithstanding any such delegation, retain the right to exercise all of such powers and duties, including the approval of budgets and assessments.

9. Insurance.

(a) The Board of Directors of the Association shall be required to obtain and maintain, to the extent obtainable, fire and all risks insurance, including flood insurance if available, on the properties for the full insurable replacement cost of the common areas and facilities and the townhouse units, excluding land, foundation, and excavations, and including all personal property, fixtures, and equipment included in the common areas and facilities. All personal property, equipment and furnishings of the townhouse unit owners shall be excluded. The insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to the Board of Directors, as trustee for each of the townhouse unit owners and their first mortgagees, as their interests may appear. The policy of insurance may contain a loss payable clause containing the words "to the holder or holders of mortgages of record, if any, as their interests may appear" without specifically naming the holder or holders in the clause, in which event the proceeds shall thereupon be payable jointly to the Board of Directors and the respective holder or holders of mortgages of record, as trustees for each of the townhouse unit owners, subject, however, to the reconstruction provisions hereafter provided. Notwithstanding

such loss payable provisions, no mortgagee shall have the right to require or elect to apply any insurance proceeds upon its mortgage unless (1) such proceeds shall be the excess of insurance payments over replacement costs of the damaged townhouse unit and other portions of the property appurtenant thereto, and then only after the same have been fully repaired and restored, or (2) the townhouse unit owners and their first mortgagees shall fail to elect to rebuild as provided by this Declaration. The trustees shall have full power to adjust all insurance losses by suit or otherwise and payment accepted by the trustees hereunder shall constitute a discharge to the insurer. Premiums for the insurance shall be common expenses. In addition, the Board of Directors shall obtain and maintain workmen's compensation insurance and other such insurance as the Board of Directors may determine. Such policies shall provide that adjustment or loss shall be made by the Board of Directors and the premiums shall be common expenses.

(b) All policies of physical damage insurance shall contain waivers of subrogation as to any claims against the officers, Board of Directors, townhouse unit owners, the Association and their employees, agents and guests, and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board of Directors and all first mortgagees of townhouse units of which the insurer has written notice. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, or certificates of such insurance policies, together with proof of payment of premiums, shall be delivered to all such mortgagees and contract sellers of units requesting the same. Prior to obtaining any policy of fire and extended coverage insurance and annually thereafter, the Board of Directors shall obtain an appraisal or valuation from the fire and casualty insurance company as to the full replacement value of the buildings, including all of the townhouse units and all of the common areas and facilities therein, without deduction for depreciation, for the purpose of determining the amount of insurance to be obtained pursuant to this Paragraph 9. Should a townhouse unit contain unusual or special improvements which increase the rate of insurance on the building in which such townhouse unit is located, but for which the townhouse unit owner is not responsible to repair, replace, or reconstruct under subparagraph 9.1, the Board of Direc-

tors may separately assess such townhouse unit owner for any additional insurance premium resulting therefrom.

(c) The Board of Directors shall also be required to obtain and maintain, with respect to the common areas and facilities, to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering the officers, the Board of Directors, the managing agent, the manager, the Community Association, and all townhouse unit owners, collectively and individually. Such public liability coverage shall also contain cross liability endorsements to cover liabilities of the townhouse unit owners as a group to a townhouse unit owner. The Board of Directors shall periodically review such limits and may, in its discretion, request the Community Association to assist it in such review.

(d) Townhouse unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation for the benefit of the Board of Directors, the officers and other townhouse unit owners, and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any owner.

(e) Each townhouse unit owner shall be deemed to appoint the Board of Directors as his true and lawful attorney-in-fact to act in connection with all matters concerning the insurance policies herein described, including full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the townhouse unit owners, including contract sellers, and their respective first mortgagees (subject to the provisions of this Declaration) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such townhouse unit owners and the Association as shall be necessary or convenient to the accomplishment of the foregoing, and any insurer may deal exclusively with the Board of Directors in regard to such matters. The Board of Directors shall not be responsible for procurement or maintenance of any insurance covering the contents of the interior or any townhouse unit nor the liability of any townhouse unit owner for occurrences therein not caused by or connected with the Association's exercise of its responsibilities under this Declaration.

(f) Each townhouse unit owner shall be responsible for obtaining and maintaining, at his sole expense, fire and all risks insurance coverage on the interior of his townhouse unit, including, but not by limitation, coverage for the following: floor coverings, window blinds, draperies, furniture, furnishings, wet bars, book shelves, panelling, cabinets installed by the townhouse owner, decorative light fixtures, and all appliances located within the townhouse unit, irrespective of whether or not such appliances are "built-in" to such unit. The Board of Directors may require certificates of such insurance to be submitted annually to the Association.

9.1. Repair or Reconstruction After Fire or Other Damage.

(a) If in the event of damage to or destruction of the properties or any part thereof as a result of fire or other casualty the proceeds of any policy or policies of insurance insuring against such loss or damage, and payable by reason thereof, shall be substantially sufficient in the opinion of the Board of Directors to pay the cost or repair or restoration, estimated as hereinafter provided, then the Board of Directors shall arrange for the prompt repair and restoration of the buildings (including any damaged townhouse units, but not including any equipment, fixtures, furnishings or personal property of the townhouse unit owners as described in the following paragraph), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any actual cost of such repair and restoration to the common areas and facilities in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the townhouse unit owners for such deficit as part of the common expenses.

(b) Each townhouse unit owner shall be responsible for the reconstruction, repair or replacement of all personal property located within the interior of his townhouse unit or on his lot, to the extent not covered by the insurance carried by the Board of Directors and specifically, but not by limitation, the following: floor coverings, window blinds, draperies, furniture, furnishings, wet bars, book shelves, panelling, cabinets installed by a townhouse unit owner, decorative light fixtures, and all appliances located therein irrespective of whether such appliances are "built-in" to the townhouse unit. Each townhouse unit owner shall also be responsible for the costs not otherwise covered by

insurance carried by the Association of any reconstruction, repair, or replacement of any portion of the property necessitated by his negligence or misuse, or the negligence or misuse by his family, guests, tenants, agents, servants, employees or contractors. In the event damage to all or any part of the interior of a townhouse unit owner's townhouse unit is not covered by insurance held by the Association for the benefit of such townhouse unit owner, then such townhouse unit owner shall begin reconstruction or repair of his townhouse unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve, or disapprove such reconstruction or repair during the course thereof.

(c) In the event the property or the improvements thereon so damaged or destroyed are not insured against the peril causing the loss or damage, or the insurance proceeds shall not be substantially sufficient in the opinion of the Board of Directors to pay the cost of repair or restoration, estimated as hereinafter provided, the president or secretary of the Association shall within sixty (60) days following such damage or destruction, call a special meeting of all townhouse unit owners. If at such meeting the owners, including contract sellers, and first mortgagees of all townhouse units shall vote, by written ballot, not to rebuild, reconstruct, or repair the damaged or destroyed portions of the properties, such portions of the property shall not be rebuilt, and the Board of Directors, as insurance trustee, shall pay the insurance proceeds to the owners of townhouse units, including contract sellers, and their mortgagees whose townhouse units would otherwise have been rebuilt, reconstructed, or repaired, as their interest in such insurance proceeds may appear.

(d) Notwithstanding anything in this Paragraph 9 to the contrary, if all townhouse unit owners, including contract sellers, and their first mortgagees agree in writing not to repair, reconstruct, or rebuild any damaged or destroyed portions of the properties prior to the commencement of any rebuilding, reconstruction, or repair, then the insurance proceeds shall be paid by the Board of Directors of the Association, as insurance trustee, to the owners, including contract sellers, and their first mortgagees of the townhouse units damaged or destroyed, as their interests may appear; provided, however, that if any portion of such insurance proceeds are payable as the result of damage or destruction to the common area and facilities, such proceeds shall be retained by the Association for the benefit of the townhouse unit owners.

(e) As soon as possible after the occurrence of a casualty which causes damage to any part of the properties (hereinafter referred to as the "Casualty"), the Board of Directors shall obtain reliable and detailed cost estimates of the following:

(i) The cost of restoring all damage caused by the Casualty to the common areas and facilities (hereinafter referred to as the "Common Area and Facilities Costs"); and

(ii) The cost of restoring that part of the damage caused by the Casualty to each townhouse unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "Townhouse Unit Costs").

(f) If repair or restoration is to be made pursuant to this section, all insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Areas and Facilities Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Townhouse Unit Costs. However, if such insurance proceeds are not sufficient to cover the actual costs, then an assessment shall be made against the townhouse unit owners by the Association in the following manner:

(i) All townhouse unit owners shall be assessed equally for the payment of the estimated Common Areas and Facilities Costs not otherwise paid for by insurance held by the Association.

(ii) Each owner of a damaged townhouse unit shall be assessed in an amount equal to his actual Townhouse Unit Costs less a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the casualty by a fraction, the numerator of which is his estimated Townhouse Unit Costs and the denominator of which is the total of all of the estimated Townhouse Unit Costs. The amount of such assessment shall be paid by the townhouse unit owner to the Association at the time a contract is entered into by the Association for such repair and reconstruction. If a townhouse unit owner shall fail to pay his share of the costs at the time requested, no repair or reconstruction work shall be performed in that townhouse unit except such work as shall be deemed by the Board of Directors to be absolutely necessary for the safety and

protection of the other townhouse unit owners until such share of the cost shall have been paid. If a townhouse unit owner shall have repaired or reconstructed his townhouse unit, then upon completion of such repair or reconstruction, the amount allocated to that townhouse unit shall be paid by the Board of Directors to the townhouse unit owner. The determination of whether the work has been completed shall be made by the Board of Directors.

(g) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or if not, then according to plans and specifications approved in writing by the Board of Directors of the Association.

10. Association. The Association shall fulfill its functions pursuant to the following provisions:

10.1. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the properties, the Association shall not be liable to townhouse unit owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association.

10.2. Restraint Upon Assignment of Shares in Assets. The share of a townhouse unit owner in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his townhouse unit.

10.3. Approval or Disapproval of Matters. Whenever the decision of a townhouse unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

10.4. Voting Rights. Members of the Association shall be entitled to voting rights as set forth in Paragraph 5 of this Declaration.

10.5. Leasing. The Association shall have the power and authority to enter into such leases (a) for portions of the common areas and facilities, and (b) of additional facilities not on the properties, as it shall deem advisable and for the benefit of townhouse unit owners.

10.6. Books or Receipts and Expenditures. The Board of Directors of the Association shall keep detailed accurate records, in chronological order, of receipts and expenditures affecting the common areas and facilities and the townhouse units and such record shall specify and itemize the maintenance and repair expenses of the common areas and facilities and of the townhouse units and any other expenses incurred. Such records and any vouchers authorizing payments shall be available for examination by townhouse unit owners at convenient hours of weekdays.

10.7. Managing Agent or Manager. The Board of Directors may employ for the Association a management company or a manager, which may be the Community Association, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. No management contract or agreement other than with the Community Association, shall, however, be for a period longer than three (3) years from the date of execution, and all such management contracts or agreements, other than with the Community Association, shall contain a provision allowing termination thereof by the Board of Directors at any time, with or without cause, on ninety (90) days prior written notice to the manager or management company.

10.8. Notification to First Mortgagees. The Association, within thirty (30) days following default by an owners, shall notify the holder of the first mortgage of a townhouse unit whose name and address have theretofore been furnished to the Association, of any uncured default by the mortgagor in the performance of the mortgagor's obligation under this Declaration, the Bylaws, and the Rules and Regulations of the Association. In the event a townhouse unit shall have been sold on contract and an affidavit delivered to the Association as required by subparagraph 10.12 of this Declaration, the Association shall, within thirty (30) days following default by a contract purchaser, notify the contract seller of any uncured default by the contract purchaser in the performance of the contract purchaser's obligation under this Declaration, the Bylaws, and the Rules and Regulations of the Association.

10.9. Legal Action. The Association shall have the right and authority for and on behalf of the townhouse unit owners to initiate any legal action or claim arising out of their ownership of townhouse units, and to negotiate any settlement thereof as a special assessment that may be levied against any townhouse unit or against the Common Area.

10.10. Borrow Money. The Board of Directors shall have the right to borrow money to meet requirements from time to time for working capital, common expenses, and emergencies;

however, no single loan shall exceed \$10,000.00, loans at any time outstanding shall not exceed \$100,000.00 in the aggregate, and no loan shall be entered into having a maturity date in excess of five (5) years. Any loan or loans in excess of such limits or for a longer maturity shall be made only with the affirmative vote in person or by proxy of a majority of the townhouse unit owners at an annual or special meeting of townhouse unit owners. Loans on townhouse units acquired by the Association shall not be deemed included in the limitations of this section.

10.11. Committees. The Board of Directors of the Association may establish committees for such purposes as it shall deem advisable, and may appoint an Executive Committee consisting of not more than three (3) Board members to act for and on behalf of the Board between meetings of the Board.

10.12. Change of Membership in Association. Change of membership in the Association shall be established by recording a deed or other instrument in the Office of the Register of Deeds of Douglas County, Kansas, establishing a record title to a townhouse unit and the delivery to the Association of a copy of such instrument. The owner designated by such instrument shall thereby become a member of the Association, and the membership of the prior owner shall thereby be terminated. In the event a townhouse unit shall be sold pursuant to a contract by the terms of which the record title to the townhouse unit shall not pass until full payment of the purchase price has been made by the contract purchaser, an Affidavit of Equitable Interest setting forth the name of the contract purchaser and a description of the townhouse unit sold shall be made by both the contract seller and the contract purchaser, and recorded in the Office of the Register of Deeds of Douglas County, Kansas. A copy of such Affidavit of Equitable Interest shall be provided to the Association, together with the address of the contract seller to which notices required by this Declaration or the Bylaws shall be mailed. The contract purchaser as named in such Affidavit of Equitable Interest shall thereupon be considered an owner of the townhouse unit described therein for all purposes of this Declaration, the Bylaws, and Rules and Regulations of the Association, and, by entering into such purchase contract, agrees to assume all obligations imposed upon the owner of such townhouse unit as are imposed by The Kansas Townhouse Ownership Act, this Declaration, the Bylaws, and Rules and Regulations of the Association. In no event, however, shall the contract seller be released from his obligations as the owner of the townhouse unit described in such Affidavit until a deed conveying fee simple title to the townhouse unit to the contract purchaser shall have been recorded in the Office of the Register of Deeds of Douglas County, Kansas, and a copy of such deed delivered to the

Association. In lieu of recording a deed with the Register of Deeds, a final order entered by a court of competent jurisdiction transferring ownership of a townhouse unit shall transfer such title, provided a certified copy of such final order is delivered to the Association.

11. Use of the Properties. The use of the properties shall be in accordance with the following provisions:

11.1. Common Areas and Facilities. The common areas and facilities shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of the townhouse units.

11.2. Buildings and Townhouse Units. The buildings and each of the townhouse units are to be used for providing living accommodations for the townhouse unit owners, and for related uses and enjoyment. Notwithstanding anything herein to the contrary, Declarant may retain ownership of one or more townhouse units for use as models and sales and/or promotion offices in connection with the sale or rental of townhouse units. No nuisances shall be allowed upon the properties, nor any use or practice which is the source of annoyance to other owners or which interferes with the peaceful possession and proper use of a lot or townhouse unit by its owner.

11.3. Occupancy Restriction. The occupancy of each townhouse unit shall be restricted as follows:

(a) No two-bedroom townhouse unit shall be occupied by more than two (2) adults or two (2) adults and two (2) minor children.

(b) No three-bedroom townhouse unit shall be occupied by more than three (3) adults or two (2) adults and four (4) minor children.

(c) The term "adults" shall mean persons who have attained the age of eighteen (18) years, and the term "minor children" shall mean persons who have not attained the age of eighteen (18) years.

Notwithstanding the foregoing restrictions, the Board of Directors of the Association, in its sole discretion, may consent to the occupancy of a townhouse unit by more persons than permitted by such restrictions.

11.4. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the properties, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the properties shall be observed. The obligation of complying with requirements of

governmental bodies as to the maintenance, modification, or repair of any part of the properties, shall be imposed on the same person who has the obligation to maintain and repair such property by the terms of this Declaration.

11.5. Leasing. No townhouse unit shall be rented for transient purposes, or, without the prior written approval of the Board of Directors, for any period of less than twelve (12) months, or to more than four (4) persons. No more than four (4) persons shall be permitted to reside in any leased townhouse unit. All leases of apartments and prospective tenants shall be approved by the Board of Directors, except that the rental to be charged therefor shall be determined solely by the owner of the apartment to be leased. No townhouse unit owner shall be entitled to rent his townhouse unit if he is delinquent in the payment of any assessment required by this Declaration. Any townhouse unit lease shall contain a provision to the effect that the rights of the tenant to use and occupy the townhouse unit shall be subject and subordinate in all respects to the provisions of this Declaration, the Bylaws, and to the Rules and Regulations of the Association. The provisions of this subparagraph 11.5 shall not apply to any institutional mortgagee of any townhouse unit who comes into possession of the townhouse unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

11.6. Sale. Subject to the Declaration, the Bylaws, and the Rules and Regulations, sale of a townhouse unit shall be unrestricted.

12. Party Walls.

12.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the buildings upon the properties and placed on the dividing line between the townhouse units shall constitute a party wall, and the general rules of law regarding party walls and liability for property damage due to negligence of willful acts or omissions shall apply thereto.

12.2. Weatherproofing. A townhouse unit owner who by his negligent or willful act causes the party wall to be exposed to the elements shall, notwithstanding the provisions of Paragraph 6 hereof, be assessed for the entire cost of furnishing the necessary protection against such elements.

12.3. Arbitration. In the event of any dispute pertaining to a party wall, or arising under the provisions of this Paragraph 12, such dispute shall be submitted to and determined by a board of three arbitrators as follows: The

party desiring to have the matter in dispute submitted to arbitration shall give the other party written notice of such desire and shall name one of the arbitrators in such notice. Within ten (10) days after the receipt of such notice, the other party shall name a second arbitrator, and in case of failure to do so, the party who has already named an arbitrator may have the second arbitrator selected or appointed by a Judge of the Douglas County, Kansas, District Court, acting in a nonjudicial capacity, and the two arbitrators so appointed in either manner shall select and appoint a third arbitrator, and in the event the two arbitrators so appointed shall fail to appoint the third arbitrator within ten (10) days after the naming of the second arbitrator, either party may have the third arbitrator selected or appointed by said Judge, and the three arbitrators selected or appointed by said Judge, and the three arbitrators so appointed shall thereupon proceed to determine the matter in dispute, and the decision of any two of them shall be final, conclusive, and binding upon all parties. In all cases of arbitration, the parties shall each pay the expenses of his attorneys' and witnesses' fees, and all other expenses of such arbitration shall be divided equally between the parties.

13. Condemnation Proceedings.

13.1. Condemnation of Common Areas and Facilities. In the event of condemnation or the exercise of the power of eminent domain whereby the federal government, the state, a political subdivision, or any other corporation, agency, or authority having the power of condemnation or eminent domain seeks to acquire any of the common areas or facilities, such condemning authority may conduct negotiations with the Board of Directors of the Association and the Board of Directors may execute and deliver the appropriate conveyance in return for the agreed consideration. The Board of Directors shall allocate such consideration, whether received through negotiation or condemnation, to the repair, replacement, or restoration of common areas and facilities, and any amount then remaining may be used to discharge the Association's obligations imposed by this Declaration.

13.2. Condemnation of Townhouse Units. In the event that all or any part of the townhouse units are taken by condemnation or the exercise of the power of eminent domain, as above described, the townhouse unit owners shall be free to assert their respective claims against the condemning authority, including any claims for severance damage, and to be entitled to the proceeds which are properly allocable to the respective townhouse unit taken or condemned. Nothing contained in this Paragraph 13 shall be construed as giving any townhouse unit owner priority over any rights of mortgagees

in case of distribution of a condemnation award to any townhouse unit owner.

14. Board of Directors May Act for Townhouse Unit Owners. Whenever in this Declaration or the Bylaws, the Board of Directors or the members thereof are authorized or directed to acquire, hold, lease, mortgage, or convey any part of or interest in the properties, or to acquire any lien thereon, or to acquire or receive the proceeds to any policy of insurance or other monies, goods, or chattels, with respect to the properties, such action shall be carried out in the names of the members of the Board of Directors and their successors in office from time to time, as trustees, on behalf of some or all of the townhouse unit owners, as the case may be.

15. Power of Attorney to Board of Directors. Each townhouse unit owner, by accepting title to a townhouse unit, thereby grants to the persons who shall from time to time constitute the Board of Directors, but subject to the terms and provisions of this Declaration, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any lot and the townhouse unit thereon whose owner desires to surrender, sell, or lease the same, or which may be subject of a foreclosure or other judicial sale, in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all townhouse unit owners, and to convey, sell, lease, sublease, mortgage, or otherwise deal with any such unit so acquired or leased.

16. Right of Access. The manager, Community Association, or any other person or entity authorized by the Board of Directors shall have the right of reasonable access to each townhouse unit for the purpose of correcting any condition originating in such townhouse unit and/or threatening another townhouse unit or the common areas and facilities, and for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas in such townhouse unit or elsewhere in the buildings, provided that requests for entry shall be made in advance and any such entry shall be at a time that is reasonably convenient to the townhouse unit owner. In case of an emergency situation, such right of entry shall be immediate, even though the townhouse unit owner may not be present.

17. Electric, Gas, Sewer, and Water Services. Electric, gas, water, and sewer services shall be supplied by the public utility companies serving the area directly to each townhouse unit through a separate meter, and each townhouse unit owner shall be required to pay the bills for electricity, gas, water, and sewer services consumed, used, or provided in or to his townhouse unit. Electricity, gas, water, and sewers serving the common areas and facilities shall be separately metered, and the Board of Directors shall pay all bills for such utilities consumed in such portions of the common areas and facilities, as a common expense.

18. Mortgages.

18.1. Notice to Board of Directors. A townhouse unit owner who mortgages his townhouse unit shall notify the Board of Directors of the name and address of his mortgagee and the Board of Directors shall maintain such information in a book entitled "Mortgages of Townhouse Units."

18.2. Notice of Unpaid Common Charges and Notice of Loss or Taking. The Board of Directors, whenever so requested in writing by any mortgagee or contract seller of a townhouse unit, shall promptly, in writing, notify the mortgagee or contract seller of any default in the performance by the individual townhouse unit mortgagor or contract purchaser of any obligation under this Declaration and any then unpaid assessments against the townhouse unit.

18.3. Notice of Default. The Board of Directors, when giving notice to a townhouse unit owner of a default in payment of common charges or other default, shall within thirty (30) days following such default send a copy of such notice to the townhouse unit owner, including any contract seller, and to the holder of a mortgage covering such townhouse unit whose name and address have theretofore been furnished to the Board of Directors.

19. Townhouse Units Subject to Declaration, Bylaws, and Rules and Regulations. All present and future owners, tenants and occupants of the townhouse units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws of the Association, and Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any lot and townhouse unit situated thereon shall constitute an agreement that the provisions of this Declaration, the Bylaws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such lot and townhouse unit situated thereon, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof. A townhouse unit owner shall automatically be a member of the Association, and shall remain a member of the Association unit until such time as his legal ownership of his townhouse unit ceases for any reason, at which time his membership in the Association shall automatically cease. Failure of a townhouse unit owner to comply with this Declaration, the Bylaws, and the Rules and Regulations, as they may be amended from time to time, shall entitle the Association or the other townhouse unit owners to the following relief, in addition to the remedies that may be provided by law:

19.1. Enforcement: The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including Seven Hundred Fifty Dollars (\$750.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of this Declaration, the Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Paragraph 8.

19.2. Negligence. A townhouse unit owner shall be liable for the expense of any maintenance, repair, or replacement to or of the common areas and facilities or any townhouse unit, including his own, rendered necessary by his act, neglect or carelessness, or by that of any member of his household, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not fully covered by the proceeds of insurance carried by the Association. A townhouse unit owner shall pay the Association the amount of any increase in its insurance premiums occasioned by the townhouse unit owner's use, misuse, occupancy or abandonment of a townhouse unit or its appurtenances, or of the common areas and facilities.

19.3. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a townhouse unit owner to comply with the terms of the Declaration, the Bylaws, or the Rules and Regulations of the Association, as they may be amended from time to time, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

19.4. Abatement and Enjoinment of Violations by Townhouse Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, or the breach of any Bylaw, or the breach of any provision of this Declaration, shall give the Board of Directors the right, in addition to any other rights set forth herein: (a) to enter on or in the lot or townhouse unit on or in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting townhouse unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; and/or (b) to

enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In the event any action is brought against a townhouse unit owner claiming, asserting or enforcing a lien against the townhouse unit or common areas and facilities, the townhouse unit owner shall give prompt written notice thereof to the Board of Directors.

19.5. Remedies Cumulative. All rights, remedies and privileges granted to the Association or any townhouse unit owner or owners pursuant to the terms, provisions, covenants, or conditions of this Declaration, the Bylaws or the Rules and Regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more of them shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

20. Amendments. This Declaration may be amended only by the Declarant, or the Declarant and the Board of Directors, until Class B membership shall be terminated pursuant to subparagraph 5.2 hereof, and may thereafter be amended in the following manner:

20.1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

20.2. Resolution of Adoption. A resolution setting forth a proposed amendment may be proposed by either the Board of Directors of the Association or by any ten (10) members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, any amendment of this Declaration shall require the approval of the owners of seventy-five percent (75%) of the townhouse units.

20.3. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with all the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the office of the Register of Deeds of Douglas County, Kansas.

21. Architectural Control and General Restrictions.

21.1. Architectural Control. No building, fence, wall, or other structure, whether temporary or permanent, shall be commenced, erected, or maintained upon the properties, nor

shall any exterior addition to or change or alteration in any building (including painting and staining) be made until the plans and specifications showing the nature, kind, shape heights, materials, exterior color scheme, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding buildings and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this subparagraph 21.1 will be deemed to have been fully complied with.

21.2. General Restrictions.

(a) Buildings or Uses Other Than for Residential Purposes. No lot, building or structure of any sort may be placed, erected, or used for business, professional, trade or commercial purposes on the properties; provided, however, this prohibition shall not apply to:

(i) any building or structure that is to be used exclusively by a public utility company in connection with the furnishing of public utility services to the properties;

(ii) any portion of a building used by the Declarant for a manager's office or a sales office, or by the Association for its office.

(b) Antennas and Clotheslines. No external television or radio antenna shall hereafter be erected on or about any lot or building except with the written approval of the Board of Directors of the Association or its architectural committee. No clotheslines, clothes racks, or clothes hangers may be constructed or used unless completely concealed within enclosed areas of a lot or townhouse unit.

(c) Parking in Streets. Streets within the properties shall not be used for the parking of vehicles, and parking areas within the properties shall not be used for the parking of trailers, mobile homes, boats, boat trailers, equipment, machinery, or cars or trucks. Vehicles shall be parked only in designated parking areas as determined pursuant to subparagraph 4.4 of this Declaration.

(d) Signs. No signs of any kind shall be displayed to the public view on any lot except one sign of

not more than five (5) square feet, advertising the property for sale or rent, or signs used by Declarant to advertise the property during the development and sales period.

(e) Livestock and Poultry Prohibited. No animals, livestock, or poultry of any kind shall be raised or kept on the properties by any owner or occupant of a townhouse unit other than household pets which shall be limited to two (2) per townhouse unit. All pets shall be leashed when outside of the townhouse unit. No such pet will be kept, bred, or maintained for commercial purposes.

(f) No Noxious or Offensive Activities Permitted. No noxious or offensive activity shall be carried on within the properties, nor shall any trash, ashes, or other refuse be thrown, placed, or dumped upon any exposed area nor shall anything ever be done which may be or become an annoyance or nuisance to the owners with the properties. No trash or refuse shall be stored in a container of any kind except in an enclosed patio or within a townhouse unit. All trash and refuse shall be placed in closed containers or plastic bags, security covered or tied, and delivered at such times, and to such central locations, as may be determined by the Board of Directors of the Association, for trash pickup by the City of Lawrence, Kansas.

(g) Fences and Enclosures. No fences or enclosures of any type or nature whatsoever shall be constructed, erected, placed, or maintained on or about any building except privacy fences around patio areas or such other fences or enclosures as may be authorized by the Board of Directors of the Association or its designated architectural committee.

(h) Unoccupied or Unsupervised Townhouse Units. No townhouse unit shall be left unoccupied for a period greater than three (3) months; provided, however, that the Board of Directors shall consent to a townhouse unit being left unoccupied for a period of greater than three (3) months if the owner thereof shall provide, to the satisfaction and in the sole discretion of the Board of Directors, that the townhouse unit owner has made provision for regular inspection and interior maintenance of such townhouse unit during the period such unit shall be unoccupied, but in no event shall a townhouse unit remain unoccupied for a period of more than six (6) months.

22. Severability. The invalidity in whole or in part of covenants or restrictions, or any paragraph, subparagraph, sen-

tence, clause, phrase or word, or other provision of this Declaration shall not affect the validity of the remaining portions thereof. The determination that any provision of the Townhouse Ownership Act or any section, sentence, clause, phrase or word or the application thereof in any circumstance is invalid, and shall not affect the validity of any provision of this Declaration not in direct conflict with such holding or determination.

23. Captions. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit, modify, or supplement this Declaration or the intent of any provision thereof.

24. Construction. Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Woodcreek Townhouses the day and year first above written.

WOODCREEK MANAGEMENT COMPANY

By John W. Gleeson, President
John W. Gleeson, President

STATE OF Iowa)
COUNTY OF Woodbury) ss:

BE IT REMEMBERED, that on this 15th day of September, 1986, before me, the undersigned, a notary public in and for the county and state aforesaid, personally appeared John W. Gleeson, the President of W. A. Klinger, Inc., a joint venturer in Woodcreek Management Company, and the same person who executed the foregoing Declaration, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of Woodcreek Management Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Walter S. [Signature]
Notary Public

My appointment expires 11-16-86



255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

E-mail: WoodCreekMail@gmail.com

Wood Creek Townhouse Association, Inc.

**Amended Bylaws of Wood Creek
Townhouse Association, Inc.**

September 15, 1986

AMENDED BYLAWS

OF

WOODCREEK TOWNHOUSE ASSOCIATION, INC.

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AMENDED BYLAWS

OF

WOODCREEK TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

ADOPTION AND APPLICABILITY OF BYLAWS

Section 1. Adoption of Bylaws. These Amended Bylaws are adopted this 15th day of September, 1986, as the Bylaws of Woodcreek Townhouse Association, Inc.

Section 2. Applicability of Bylaws. The name of the association to which these bylaws are applicable is "Woodcreek Townhouse Association, Inc.," a Kansas not-for-profit corporation, the Articles of Incorporation for which were filed in the Office of the Kansas Secretary of State on the 6th day of January, 1982. Woodcreek Townhouse Association, Inc., is hereinafter referred to as the "Association," and shall consist of members who are townhouse unit owners as referred to and defined in one certain Declaration which was recorded on September 15, 1986, in Book 396, pages 1284-1321, in the Office of the Register of Deeds of Douglas County, Kansas, and which is hereinafter referred to as the Declaration. The property, which includes "common areas and facilities" and the "townhouse units," as defined in the Declaration shall be administered and governed by these bylaws and in accordance with the Declaration, the duly adopted Rules and Regulations, and the Kansas Townhouse Ownership Act, and applicable local laws and ordinances. All definitions as contained in paragraph 2 of the Declaration are adopted and incorporated herein by reference.

Section 3. Application. All present and future townhouse unit owners, mortgagees, lessees and occupants of the townhouse units, their employees, agents, guests and invitees and all other persons who may use the facilities of the properties in any manner are subject to these Bylaws, the Declaration and the Rules and Regulations of the Association. The acceptance of a deed of conveyance, the entering into a contract for the purchase, or the entering into a lease for the occupancy or use of a townhouse unit shall constitute an agreement that the Declaration, these Bylaws and the Rules and Regulations, as they may be amended from time to time, are accepted, ratified and will be complied with.

Section 4. Office. The office of the Association shall be at Massachusetts at South Park Streets, Lawrence, Douglas County, Kansas, or at such other location as hereafter designated by the Board of Directors of the Association.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualification. The business of the Association shall be conducted by its Board of Directors. Until Class B membership shall terminate, as provided in paragraph 5.2 of the Declaration, the Board of Directors shall be composed of five (5) persons appointed by the Declarant. Thereafter, the Board of Directors shall be composed of nine (9) persons, all of whom shall be townhouse unit owners, or in the case of partnership owners, shall be members or employees of such partnership, or in the case of corporate owners, shall be officers, stockholders, or employees of such corporations, or in the case of fiduciary owners shall be the fiduciaries or officers or employees of such fiduciaries.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association as stated herein, and may do all such acts and things to exercise and carry out such powers and duties subject to the provisions of the Declaration and these Bylaws and except as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the townhouse unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operating, caring for, and maintaining the common areas and facilities as they are defined in the Declaration;
- (b) Determining and paying the common expenses required for the affairs of the Association, including, without limitation, the operation, care, upkeep and maintenance of the common areas and facilities;
- (c) Paying the common expenses required for the affairs of the Association, including, without limitation, the operation, care, upkeep and maintenance of the common areas and facilities;
- (d) Assessing and collecting of common charges, to meet the common expenses, from the townhouse unit owners;
- (e) Entering into contracts and agreements for and on behalf of the Association, including, but not limited to, providing recreational areas and facilities to the owners; and employment (including the right of dismissal) of personnel, contractors, and subcontractors necessary for maintaining and operating the common areas and facilities and for conducting the affairs of the Association;

(f) Adopting and amending rules and regulations including the initial rules and regulations attached hereto, as Schedule A, applicable to the operation and use of the properties;

(g) Opening of and maintaining bank accounts, writing checks on such accounts and making deposits and withdrawals on behalf of the Association, designating the signatories required therefor and borrowing money from banks to meet requirements from time to time for working capital, common expenses and emergencies; however, no single loan shall exceed \$10,000.00, loans at any time outstanding shall not exceed \$100,000.00 in the aggregate, and no loan shall be entered into having a maturity date in excess of five (5) years. Any loan or loans in excess of such limits or for a longer maturity shall be made only with the affirmative vote in person or by proxy of a majority of the townhouse unit owners at an annual or special meeting of townhouse unit owners. Loans on townhouse units acquired by the Association, as referred to in these Bylaws, shall not be deemed included in the limitations of this subparagraph (f);

(h) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all townhouse unit owners, townhouse units offered for sale or lease, or surrendered by their owners to the Board of Directors;

(i) Selling, leasing, mortgaging or otherwise dealing with townhouse units acquired by, and subleasing townhouse units leased by, the Board of Directors, or its designee, corporate or otherwise, on behalf of all townhouse unit owners;

(j) Organizing corporations to act as designees of the Board of Directors in acquiring title to townhouse units on behalf of all townhouse unit owners;

(k) Leasing or licensing the use of the common areas and facilities;

(l) Obtaining insurance covering and applicable to the property, including the townhouse units, pursuant to the provisions of Article V, Section 2 hereof;

(m) Paying real estate and personal property taxes, assessments and similar charges, if any, levied, assessed or charged against the common areas and facilities;

(n) Establishing committees for such purposes as it shall deem advisable, including an Executive Committee

consisting of not more than three (3) Board members to act for and on behalf of the Board between meetings of the Board.

(o) Entering in to a contract with the Woodcreek Community Services Association, Inc., a Kansas not-for-profit corporation, pursuant to which such community association shall agree to maintain the properties and carry out the duties of the Association as set forth in the Declaration and as set forth in this Section 2. The Board of Directors shall not, however, enter into any agreement with the Community Association that shall permit it to determine the amount of common expenses to be included in the Association's budget, to borrow money on behalf of the Association, or to enter into any contract on behalf of the Association involving the expenditure of more than \$ 2,500.00 without the prior approval of the Board of Directors. No contract with the Association shall authorize it to exercise any power or duty described in subparagraphs (f), (h), (i), (j), (k), or (n), without the prior approval of at least seventy-five percent (75%) of the members of the Board of Directors. The Association's contract with the Community Association may include, but shall not be limited to, causing the Community Association to maintain, repair, and replace the common area in the buildings; insure the common area and buildings; establish tentative budgets for the Association; recommend the amounts and purposes for common expenses to the Board of Directors; collect common expenses or special assessments; and enforce the Declaration and rules and regulations on behalf of the Association and the unit owners.

Section 3. Managing Agent and Manager.

(a) If the Association shall not have entered into a contract with the Woodcreek Community Services Association, Inc., pursuant to Section 2(o) of this Article, the Board of Directors may employ for the Association a management company or a manager, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in subparagraphs (a), (b), (c), (d), (e), (j), (l), and (n) of Section 2 of this Article II. No management contract or agreement, other than with the Community Association, shall, however, be for a period longer than three (3) years from the date of execution, and all such management contracts or agreements, other than with the Community Association, shall contain a provision allowing termination thereof by the Board of Directors at any time, with or without cause, on ninety (90) days prior written notice to the manager or management company. The Board of Directors may not delegate to any manager or management company, other than to the Community Association as described and limited in Article II, Section 2(n), any of the duties set forth in subparagraphs (f), (g), (h), (i), (j), (m), (n) and (o) of Section 2 of this Article II.

(b) In the event the Association shall enter into a contract with the Community Association, the Association shall not, in addition, enter into a contract with the management company if the contract with the Community Association provides for such Association to manage the property, or to hire a manager for such purpose.

Section 4. Election and Terms of Office. At the first annual meeting of the townhouse unit owners, the term of office of three members of the Board of Directors shall be fixed at three (3) years, the term of office of three members of the Board of Directors shall be fixed at two (2) years, and the term of office of three members of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the townhouse unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of townhouse unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the townhouse unit owners present in person or by proxy, provided a quorum of townhouse unit owners are present in person or by proxy, as stated in Sections 7, 8, and 9 of Article III hereof, and a successor may then or thereafter be elected by the townhouse unit owners to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the townhouse unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the townhouse unit owners, shall be filled by a vote of a majority of the members of the Board of Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until the next annual meeting of the townhouse unit owners, or until such person's prior removal in accordance with Section 5 of this Article, at which time the townhouse unit owners shall elect a member of the Board of Directors to serve for the remaining part of the unexpired term, if any, of the member whose absence created the vacancy, or if no unexpired term remains, to serve for three years.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors following the first annual meeting of the townhouse unit owners shall be held within ten (10) days after the first annual meeting of owners, at such time and place as shall be fixed by the townhouse unit owners at the meeting at which such Board of Directors shall have been elected,

and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given by the President or Secretary to each member of the Board of Directors, in person or by mail, telephone or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days notice to each member of the Board of Directors, given in person or by mail, telephone or telegraph, which notice shall inform as to the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least five (5) members of the Board of Directors given as above described to the President and Secretary.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. Each member of the Board of Directors shall be entitled to one vote in decisions or resolutions of the Board of Directors. At all meetings of the Board of Directors, a majority of the full Board of Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors may, in its discretion, obtain reasonable and customary fidelity bonds for all officers and employees of the Association handling or responsible for funds of the Association. The premiums on such bonds shall constitute a common expense of the Association.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as a director unless such compensation is approved by a majority of townhouse unit owners as hereinafter described in Sections 7, 8 and 9 of Article III.

Section 14. Liability of the Board of Directors. No member of the Board of Directors shall be liable to the townhouse unit owners for any mistake, judgment, negligence, or otherwise, in connection with his service on the Board of Directors, except for his own individual willful misconduct or gross negligence. The townhouse unit owners shall indemnify and hold harmless each member of the Board of Directors against all claims, damages, costs and expenses, including reasonable attorneys' fees, in connection with his service on the Board of Directors (unless due to his willful misconduct or gross neglect) or arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made contrary to or in violation of the provisions of the Declaration or of these Bylaws. Agreements made by the Board of Directors on behalf of the Association may provide that the members of the Board of Directors and its officers, as the case may be, are acting only as agents for the townhouse unit owners and shall have no personal liability thereunder (except as townhouse unit owners).

Section 15. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the property. No contract or other transaction between the Association and one or more of its Directors, between the Association and any corporation, firm, or association (including the Declarant) in which one or more of the Directors of the Association are directors or officers or are pecuniarily or otherwise interested shall be either void or voidable because such director or directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purposes; or

(c) A contract or transaction is commercially reasonable as it pertains to the Association and the property at the time it is authorized, ratified, approved, or executed.

A common or interested director may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves, or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer or not so interested.

ARTICLE III

MEMBERS

Section 1. Association Responsibility and Annual Meetings. The townhouse unit owners will be members of the Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation, which will have the responsibility, acting through its Board of Directors and the Association officers, subject to the terms and provisions of the Declaration and these Bylaws, of administering the affairs of the Association, establishing and collecting monthly and other assessments and as more particularly described in these Bylaws. Promptly after Class B membership shall terminate, as provided in paragraph 5.2 of the Declaration, Declarant shall notify all townhouse unit owners thereof, and the first annual meeting of the townhouse unit owners shall be held within thirty (30) days thereafter on a call issued by the President. At such meeting all but one member of the Board of Directors appointed by Declarant shall resign as members of the Board of Directors, and all townhouse unit owners, including Declarant, if Declarant shall then own any townhouse units, shall elect a new Board of Directors. Thereafter, the annual meetings of the townhouse unit owners shall be held on the 15th day of March of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meetings the Board of Directors shall be elected by ballot of the townhouse unit owners in accordance with Section 4 of Article II of these Bylaws. So long as Declarant shall own one or more townhouse units, Declarant shall be entitled to elect at least one member of the Board of Directors who shall serve for a term of one year. The townhouse unit owners may transact such other business at such meeting as may properly come before them.

Section 2. Place of Meetings. Meetings of the members shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members if so directed by resolution of the Board of Directors or, following the first annual meeting of members, upon a petition signed and presented to the Secretary by not less than twenty-five percent (25%) of the voting interest in the Association. The notice of any special meeting shall state the date, time and place of such meeting and

the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to deliver or mail a notice of each annual or special meeting of the members, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the date, time and place where it is to be held, and in the case of a special meeting the purposes of the meeting, to each member of record at the time the notices are mailed. The delivery or mailing of a notice of a meeting to an owner's townhouse unit or to such other address as such owner has requested in writing that notices be sent, or to such owner's last known address as carried in the Association's records, shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of members cannot be held because a quorum has not attended in person or by proxy, a majority of the townhouse unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the meeting was originally called.

Section 6. Voting. The owner or owners of each townhouse unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast one vote at all meetings of members. If a townhouse unit is owned of record by one person, his right to vote shall be established by filing with the Secretary of the Association a certified copy of the recorded deed to his townhouse unit. A contract purchaser of a townhouse unit shall be considered an owner for voting purposes by the filing of an affidavit of equitable interest in accordance with paragraph 10.12 of the Declaration. If a townhouse unit is owned of record by more than one person, or by a partnership, corporation or corporate fiduciary, the person entitled to cast the vote or votes for that unit shall be designated by a certificate (1) in the case of the individual owners, or partnership owner, including those holding in a fiduciary capacity, signed by all of the record owners of the townhouse unit, a partner or fiduciary, respectively, and filed with the Secretary of the Association or (b) in the case of corporate or corporate fiduciary owners, signed by the President or Vice President and attested by the secretary of the corporation. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in ownership of the townhouse unit owners. If a copy of a townhouse unit owner's recorded deed or certificate is not on file as required by this section, the vote of such owner(s) shall not be considered in determining the attendance of a quorum nor shall such vote be considered for any other purpose. The designation of any proxy shall be made in writing, signed by the person entitled to vote and shall be delivered to the Secretary prior to or at the meet-

ing. A proxy shall be revocable at any time by written notice to the Secretary signed by the person entitled to vote.

Section 7. Majority of Townhouse Unit Owners. As used in these Bylaws, any reference to a majority of members of the Association shall mean townhouse unit owners having more than fifty percent (50%) of the total votes of the townhouse unit owners present in person or by proxy and voting at any meeting of the members of the Association, the number of votes determined in accordance with the provisions of Section 6 of this Article III.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of townhouse unit owners having at least fifty percent (50%) of the total authorized votes of all townhouse unit owners shall constitute a quorum at all meetings of the members.

Section 9. Majority Vote. The vote of a majority of members at a meeting at which a quorum shall be present shall be binding on all townhouse unit owners for all purposes except in those instances stated in the Declaration, these Bylaws, or by law, where a higher percentage vote is required.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. The President. Unless the Board of Directors otherwise provides, the President shall be the chief executive officer of the Association with such general executive powers and duties of supervision and management as are usually vested in the office of the chief executive officer of a corporation and he shall carry into effect all directions and resolutions of the

Board of Directors. The President shall preside at all meetings of the Board of Directors and Association members. The President may execute all bonds, notes, contracts, deeds, mortgages and any other instruments for and in the name of the Association. He shall, unless the Board of Directors otherwise provides, be ex officio a member of all standing committees. He shall have such other or further duties and authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Directors.

Section 5. Vice President. In the absence of the President or in the event of his disability, inability or refusal to act, the Vice President shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 6. Secretary. The Secretary may attend all sessions of the Board of Directors and all meetings of the members of the Association and shall record or cause to be recorded all votes taken and the minutes of all proceedings in a minute book of the Association to be kept for that purpose. He shall perform like duties for the executive and other standing committees when requested by the Board of Directors or any such committee to do so. It shall be the principal responsibility of the Secretary to give, or cause to be given, notice of all meetings of the Board of Directors and of the Association members, but this shall not lessen the authority of others to give such notice as is authorized elsewhere in these Bylaws. The Secretary shall cause all books, records, lists and information, or duplicates, required to be maintained in Kansas, or elsewhere, to be so maintained.

The Secretary shall keep in safe custody the seal of the Association, if such a seal is authorized by the Board of Directors, and shall have authority to affix the seal to any instrument requiring it, and when so affixed, he shall attest the seal by his signature. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his signature.

The Secretary shall perform such other duties and have such other authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Directors or the chief executive officer of the Association.

The Board of Directors shall have the right to designate an Assistant Secretary, who need not be a member of the Board of Directors, and in the absence of the Secretary or in the event of his disability, inability or refusal to act, the Assistant Secretary may perform the duties and exercise the powers of the Secretary, and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 7. Treasurer. The Treasurer shall have the responsibility for the safekeeping of the funds and securities of the Association, shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Association and shall keep, or cause to be kept, all other books of account and accounting records of the Association. He shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors or by any officer of the Association to whom such authority has been granted by the Board of Directors. He shall disburse, or permit to be disbursed, the funds of the Association as may be ordered, or authorized generally by the Board of Directors, and shall render to the chief executive officer of the Association and the Board of Directors whenever they require it, an account of all his transactions as Treasurer and of those under his jurisdiction, and of the financial condition of the Association.

The Treasurer shall perform such other duties and shall have such other responsibility and authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Directors. He shall have the general duties, powers and responsibility of a treasurer of a corporation. If required by the Board of Directors, he shall give the Association a bond in a sum and with one or more sureties satisfactory to the Board of Directors, for the faithful performance of the duties of his office, and for the restoration to the Association, in the case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control which belong to the Association.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as an officer unless such compensation is approved by a majority of the Association members as described in Sections 7, 8 and 9 of Article III hereof.

ARTICLE V

OPERATION OF THE PROPERTY

Section 1. Common Expenses and Charges. Assessments against the townhouse unit owners shall be made as provided by the Declaration and by the Board of Directors and paid by the townhouse unit owners to the Association in accordance with the following provisions:

(a) Share of Expense--Common Expenses. Each townhouse unit owner shall be liable for his share of the common expenses, as set forth in the Declaration.

(b) Assessments. All assessments, the authority to levy of which is granted to the Association or the Board of Directors by the Declaration, these Bylaws or as otherwise permitted, shall be paid by the townhouse unit owners to the Association as set forth in the Declaration, Bylaws, or lawful resolution of the Board of Directors authorizing such assessment. All assessments, other than separate charges made against a townhouse unit owner for his failure to fulfill his obligations under the Declaration, Bylaws, or Rules and Regulations, shall be made equally upon each townhouse unit owner.

(c) Accounts. All sums collected by the Association from assessments may be commingled in a single fund but they shall be credited to accounts from which shall be paid the expenses for which the respective assessments are made. Such accounts shall be as determined by the Board of Directors but shall include the following:

(i) Common Expense Account -- to which shall be credited collections of assessments for all common expenses as well as payments received as income from the rental or use of any of the common areas and facilities;

(ii) Alteration and Improvement Account -- to which shall be credited all sums collected for alteration and improvement assessments;

(iii) Reconstruction and Repair Account -- to which shall be credited all sums collected for reconstruction and repair assessments;

(iv) Emergency Account -- to which shall be credited all sums collected for emergencies;

(v) Reserve Account -- to which shall be credited all funds required by the Board of Directors for working capital of the Association, general operating reserves, reserves for replacement and maintenance, and funds required to make up deficits in the expenses for any prior year.

(d) Budget and Assessments. The Board of Directors shall adopt a budget for each calendar year on or before the second Monday of December of the year preceding the year for which the budget is made, which budget shall contain estimates of the cost of performing the functions of the Association, taking into consideration overages and/or shortages from previous years, making provisions therefor, and includ-

ing, but not limited to, assessments for common expenses, alterations and improvements, reconstruction and repairs, reserves and emergencies, and simultaneously therewith the Board of Directors shall prepare the proposed assessments against each townhouse unit owner, on the basis that the costs as estimated shall be borne equally by the townhouse unit owners. The assessments against each townhouse unit owner shall be due and payable in consecutive monthly payments in amounts as determined by the Board of Directors on the first day of each month, beginning with January of the year for which the assessments are made. A copy of each annual budget together with the proposed assessments to be made against each townhouse unit owner shall be delivered to each such owner on or before the first day of the calendar year for which the budget and assessments are prepared. If an annual budget or proposed assessment is not made as required, a payment in the amount required by the last prior assessment shall be due from each townhouse unit owner upon each assessment payment date until changed by a new assessment made by the Board of Directors. Within sixty (60) days following each calendar year the Board of Directors shall send to each townhouse unit owner an annual report of assets and liabilities issued as of the last day of said calendar year as more particularly stated in Section 1 of Article IX hereof. Copies of the budget, the assessments and the annual report shall be furnished to any mortgagee or to any townhouse unit owner upon request.

(e) Other Assessments. Other assessments shall be made by the Board of Directors in accordance with the provisions of the Declaration, Bylaws, and as required by the lawful resolution of the Board of Directors.

(f) Assessments for Emergencies. Assessments for common expenses resulting from emergencies which cannot be paid from an appropriate expense account may be made by the Board of Directors from time to time.

(g) Assessments for Purchase or Lease. Assessments shall be made from time to time by the Board of Directors, to defray the cost involved in the acquisition or leasing by the Board of Directors on behalf of the townhouse unit owners of any unit purchased or acquired or leased by the Board of Directors pursuant to the provisions of the Declaration, these Bylaws or the Townhouse Ownership Act.

(h) Assessment Roll. The assessments against all townhouse unit owners shall be set forth upon a roll of the townhouse units which shall be available in the office of the Association for inspection at all reasonable times by townhouse unit owners or their duly authorized representatives. Such roll shall indicate for each townhouse unit the name and address of the owner or owners, the assessments, and the amounts of all assessments paid and unpaid.

(i) Liability for Assessments. The owner of a townhouse unit and his grantee shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance of the townhouse unit. Such liability may not be avoided by a waiver of the use and enjoyment of any common area or facility or by abandonment of the townhouse unit for which the assessments are made.

(j) Lien for Assessments. The creation, existence and enforcement of a lien or liens against any townhouse unit or townhouse unit owner for failure to pay any assessment shall be governed by the applicable provisions of the Kansas Townhouse Ownership Act, and by applicable provisions of the Declaration.

(k) Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first townhouse unit to an owner, the maximum monthly assessment shall be \$_____ per townhouse unit. Thereafter, the assessment shall be determined in accordance with subparagraph 8.2.

(l) Date of Commencement of Assessments. Annual assessments shall commence as to each townhouse unit on the first day of the month following the date on which the owner of such townhouse unit becomes a member of the Association pursuant to the Declaration and these Bylaws. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(m) Default in Payment of Assessments.

(i) In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts not secured by a first real estate mortgage, or fifteen percent (15%), whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in any proceeding brought to collect such unpaid assessment. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in the Declaration.

(ii) A townhouse unit owner in default in the payment of assessments for a period of thirty (30) days after the same are due shall not be entitled to vote at any meeting of the townhouse unit owners so long as such

default continues, except with respect to matters requiring the unanimous consent of all townhouse unit owners.

(iii) Except as otherwise provided in the Declaration, no townhouse unit owner shall be liable for the payment of any part of the assessments against his townhouse unit assessed subsequent to a sale, transfer or other bona fide conveyances by him of such townhouse. In addition, any townhouse unit owner may, subject to the consent of the Board of Directors, and provided that his townhouse unit is free and clear of liens and encumbrances other than a bona fide first mortgage and a lien for unpaid assessments, convey his townhouse unit to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other townhouse unit owners, and in such event be exempt from any assessment thereafter made.

(n) Foreclosure of Liens for Unpaid Assessments. In any action brought by the Board of Directors to foreclose a lien on a townhouse unit because of unpaid assessments, the Board of Directors, acting on behalf of all townhouse unit owners, shall have power to purchase such townhouse unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the judgment.

(o) Statement of Assessments. Upon written request therefor, the Board of Directors shall provide any townhouse unit owner with a written statement of all unpaid assessments due from such townhouse unit owner. Such statement shall be furnished within ten (10) days after receipt of the request.

Section 2. Insurance.

(a) The Board of Directors of the Association shall be required to obtain and maintain, to the extent obtainable, fire and all risks insurance, including flood insurance if available, on the properties for the full insurable replacement cost of the common areas and facilities and the townhouse units, excluding land, foundation, and excavations, and including all personal property, fixtures, and equipment included in the common areas and facilities. All personal property, equipment and furnishings of the townhouse unit owners shall be excluded. The insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to the Board of Directors, as trustees for each of the owners and their first mortgagees, as their interests may appear. The policy of insurance may contain a loss payable clause containing the words "the holder of holders of mort-

gages or record, if any, as their interests may appear" without specifically naming the holder or holders in the clause, in which event any proceeds shall be payable jointly to the Board of Directors and the respective holder or holders of mortgages of record, as trustees for each of the townhouse unit owners, subject, however, to the reconstruction provisions. No mortgagee shall have the right to require or elect to apply any insurance proceeds upon its mortgage unless (1) such proceeds shall be the excess of insurance payments over replacement costs of the damaged townhouse unit and other portions of the property appurtenant thereto, and then only after the same have been fully repaired and restored, or (2) the townhouse owners and their first mortgagees shall fail to elect to rebuild as provided by this Declaration. The trustees shall have full power to adjust all insurance losses by suit or otherwise and payment accepted by the trustees hereunder shall constitute a discharge to the insurer. Premiums for the insurance shall be common expenses. In addition, the Board of Directors shall obtain and maintain workmen's compensation insurance and such other insurance as the Board of Directors may determine. Such policies shall provide that adjustment or loss shall be made by the Board of Directors and the premiums shall be common expenses.

(b) All policies of physical damage insurance shall contain waivers of subrogation as to any claims against the officers, Board of Directors, townhouse unit owners, the Association and their employees, agents and guests, and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board of Directors and all first mortgagees of townhouse units of which the insurer has notice. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, or certificates of such insurance policies, together with proof of payment of premiums, shall be delivered to all such mortgagees of units requesting the same. Prior to obtaining any policy of fire and extended coverage insurance and annually thereafter, the Board of Directors shall obtain an appraisal or valuation from the fire and casualty insurance company as to the full replacement value of the buildings, including all of the townhouse units and all of the common areas and facilities therein, without deduction for depreciation, for the purpose of determining the amount of insurance to be obtained pursuant to this Section. Should a townhouse unit contain unusual or special improvements which increase the rate of insurance on the building in which such townhouse unit is located, but for which the townhouse unit owner is not responsible to repair, replace, or reconstruct under Section 3 of this Article, the

Board of Directors may separately assess such townhouse unit owner for any additional insurance premium resulting therefrom.

(c) The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering the officers, the Board of Directors, the managing agent, the manager, the Community Association, and all townhouse unit owners, including contract sellers of a townhouse unit, collectively and individually. Such public liability coverage shall also contain cross liability endorsements to cover liabilities of the townhouse unit owners as a group to a townhouse unit owner. The Board of Directors shall periodically review such limits, and may, in its discretion, request the Community Association to assist it in such review.

(d) Townhouse unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation for the benefit of the Board of Directors, the officers and other townhouse unit owners, and further provided that (1) the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any townhouse unit owner, and (2) benefits under any fire and extended coverage insurance maintained by a townhouse unit owner on his townhouse unit, as defined in the Declaration, shall be payable to the Board of Directors of the Association as insurance trustee for the benefit of all townhouse unit owners, including contract sellers of a townhouse unit, and their first mortgagees, and their interests may appear.

(e) Each townhouse unit owner shall be deemed to appoint the Board of Directors as his true and lawful attorney-in-fact to act in connection with all matters concerning the insurance policies herein described, including full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the townhouse unit owners, including contract sellers of a townhouse unit, and their respective first mortgagees (subject to the provisions of the Declaration) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such townhouse unit owners and the Association as shall be necessary or convenient to the accomplishment of the foregoing, and any insurer may deal exclusively with the Board of Directors in regard to such matters. The Board of Directors shall not be responsible for procurement or maintenance of any insurance covering the contents of the interior of any townhouse unit nor the liability of any townhouse unit owner

for occurrences therein not caused by or connected with the Association's exercise of its responsibilities under the Declaration and these Bylaws.

Section 3. Repair or Reconstruction After Fire or Other Casualty.

(a) If in the event of damage to or destruction of the properties or any part thereof as a result of fire or other casualty, the proceeds of any policy or policies of insurance insuring against such loss or damage and payable by reason thereof shall be substantially sufficient in the opinion of the Board of Directors to pay the cost of repair or restoration, estimated as hereinafter provided, then the Board of Directors shall arrange for the prompt repair and restoration of the buildings (including any damaged townhouse units, but not including any equipment, fixtures, furnishings or personal property of the townhouse unit owners as described in the following paragraph), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any actual cost of such repair and restoration to the common areas and facilities in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the townhouse unit owners for such deficit as part of the common expenses.

(b) Each townhouse unit owner shall be responsible for the reconstruction, repair, or replacement of all personal property located within the interior of his townhouse unit or on his lot, to the extent not covered by the insurance carried by the Board of Directors and specifically, but not by limitation, the following: floor coverings, window blinds, draperies, furniture, furnishings, wet bars, book shelves, panelling, cabinets installed by a townhouse unit owner, decorative light fixtures, and all appliances located therein irrespective of whether such appliances are "built-in" to the townhouse unit. Each townhouse unit owner shall also be responsible for the costs not otherwise covered by insurance carried by the Association of any reconstruction, repair, or replacement of any portion of the property necessitated by his negligence or misuse, or the negligence or misuse by his family, guests, tenants, agents, servants, employees or contractors. In the event damage to all or any part of the interior of a townhouse unit owner's apartment is not covered by insurance held by the Association for the benefit of such townhouse unit owner, then such townhouse unit owner shall begin reconstruction or repair of his apartment within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve, or disapprove such reconstruction or repair during the time such reconstruction or repair shall occur.

(c) In the event the property or the improvements thereon so damaged or destroyed are not insured against the peril causing the loss or damage, or the insurance proceeds shall not be substantially sufficient in the opinion of the Board of Directors to pay the cost of repair or restoration, estimated as hereinafter provided, the president or secretary shall, within sixty (60) days following such damage or destruction, call a special meeting of all townhouse unit owners. If at such meeting the owners, including all contract sellers of townhouse units and first mortgagees of all townhouse units shall vote, by written ballot, not to rebuild, reconstruct, or repair the damaged or destroyed portions of the properties, such portions of the property shall not be rebuilt, and the Board of Directors, as insurance trustee, shall pay the insurance proceeds to the owners of townhouse units and their mortgagees whose townhouse units would otherwise have been rebuilt, reconstructed, or repaired, as their interest in such insurance proceeds may appear.

(d) Notwithstanding anything in this Section 3 to the contrary, if all townhouse unit owners, including all contract sellers of townhouse units and first mortgagees agree in writing not to repair, reconstruct, or rebuild any damaged or destroyed portions of the properties prior to the commencement of any rebuilding, reconstruction, or repair, then the insurance proceeds shall be paid by the Board of Directors of the Association, as insurance trustee, to the owners, contract sellers, and their first mortgagees of the townhouse units damaged or destroyed, as their interests may appear; provided, however, that if any portion of such insurance proceeds are payable as the result of damage or destruction to the common area and facilities, such proceeds shall be retained by the Association for the benefit of the townhouse unit owners.

(e) As soon as possible after the occurrence of a casualty which causes damage to any part of the properties (hereinafter referred to as the "Casualty"), the Board of Directors shall obtain reliable and detailed cost estimates of the following:

(i) The cost of restoring all damage caused by the Casualty to the common areas and facilities (hereinafter referred to as the "Common Area and Facilities Costs"); and

(ii) The cost of restoring that part of the damage caused by the Casualty to each townhouse unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "Townhouse Unit Costs").

(f) If repair or restoration is to be made pursuant to this section, all insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Areas and Facilities Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Townhouse Unit Costs. However, if such insurance proceeds are not sufficient to cover the actual costs, then an assessment shall be made against the townhouse unit owners by the Association in the following manner:

(i) All townhouse unit owners shall be assessed equally for the payment of the estimated Common Areas and Facilities Costs not otherwise paid for by insurance held by the Association.

(ii) Each townhouse unit owner of a damaged apartment shall be assessed in an amount equal to his actual Townhouse Unit Costs less a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the casualty by a fraction, the numerator of which is his estimated Townhouse Unit Costs and the denominator of which is the total of all of the estimated Townhouse Unit Costs. The amount of such assessment shall be paid by the townhouse unit owner to the Association at the time a contract is entered into by the Association for such repair or reconstruction. If a townhouse unit owner shall fail to pay his share of the costs at the time requested, no repair or reconstruction work shall be performed in that townhouse unit except such work as shall be deemed by the Board of Directors to be absolutely necessary for the safety and protection of the other townhouse unit owners until such share of the cost shall have been paid. If a townhouse unit owner shall have repaired or reconstructed his townhouse unit, then upon completion of such repair or reconstruction, the amount allocated to that townhouse unit shall be paid by the Board of Directors to the townhouse unit owner. The determination of whether the work has been completed shall be made by the Board of Directors.

(iii) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or if not, then according to plans and specifications approved by the Board of Directors of the Association.

Section 4. Payment of Common Charges.

(a) All townhouse unit owners shall be obligated to pay the common expenses and assessments assessed by the Board of Directors pursuant to the provisions of this Article V,

herein sometimes referred to as "common charges," at such time and in such manner or times as provided herein or as the Board of Directors shall otherwise determine, which may, in the discretion of the Board of Directors, include the payment thereof, on behalf of the Association, to a townhouse unit owner's institutional mortgagee, concurrently with such townhouse unit owner's monthly mortgage payment.

(b) A townhouse unit owner in default in the payment of common charges for a period of thirty (30) days after the same are due shall not be entitled to vote at any meeting of the townhouse unit owners so long as such default continues, except with respect to matters requiring unanimous consent of all townhouse unit owners.

(c) No townhouse unit owner shall be liable for the payment of any part of the common charges against his townhouse unit assessed subsequent to a sale, transfer or other bona fide conveyance by him of such townhouse unit. In addition, any townhouse unit owner may, subject to the terms and conditions specified in these Bylaws, provided that his townhouse unit is free and clear of liens and encumbrances other than a bona fide first mortgage and a lien for unpaid common charges, convey his townhouse unit to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other townhouse unit owners, and in such event be exempt from common charges thereafter assessed.

(d) If any townhouse unit owner fails or refuses to make any payments of the common charges when due, the amount thereof shall constitute a lien on the owner's townhouse unit and the lot on which it is situated, and upon the recording of notice thereof by the Board of Directors shall be a lien upon such owner's townhouse and lot unit prior to all other liens except only (i) tax liens on the townhouse unit in favor of any political subdivision, municipal corporation, special benefit district, any other state or federal taxes which by law are a lien on the interest of such townhouse unit owner prior to pre-existing recorded encumbrances thereon, and (ii) all sums unpaid on a first mortgage of record, but only if such recorded mortgage contains a statement of a mailing address where notice may be mailed to the mortgagee thereunder.

(e) Notwithstanding anything in these Bylaws to the contrary, during the development and sale period (which shall mean the period up to the time that Class B membership is converted to Class A membership) Declarant, even though a member of the Association, shall not be responsible for the payment of the regular Association assessment except for any townhouse units which it actually uses for purposes other than display for sale. However, Declarant shall be required to pay a proportionate share of the Association insurance

costs and maintenance expenses actually incurred based upon the total number of townhouse units owned by Declarant at the time the expense is incurred. In no event shall Declarant be responsible for the payment of any assessments for deferred maintenance, reserves for replacements, capital improvements, or other assessments during the development and sale period except for any townhouse unit that it actually uses for purposes other than display for sale.

(f) The Association may, in its discretion, delegate by contract to the Community Association the obligation to establish and collect assessments, to maintain accounts, and to enforce assessments, whether by foreclosure of a lien or otherwise, as provided in these Bylaws and in the Declaration, but the Association shall, notwithstanding any such delegation, retain the right to exercise all or such powers and duties, including the approval of budgets and assessments.

Section 5. Maintenance Obligations of Townhouse Unit Owners.

(a) Each townhouse unit owner shall maintain in good condition and repair the interior of his townhouse unit, together with such other portions of his townhouse unit for which the Association shall not have the duty to maintain, repair, and replace. Any flues, ducts, conduits, wires, pipes, sewer lines, or other apparatus or any portion or part thereof lying partially within and partially outside of the interior of a townhouse unit and which serve only that townhouse unit shall be deemed to be within the interior of the townhouse unit and shall be maintained by the owner thereof. Any flues, ducts, conduits, wires, pipes, sewer lines, or other apparatus or any portion or part thereof lying partially within and partially outside of the interior of a townhouse unit which serve more than one townhouse unit shall be deemed to be outside of the interior of the townhouse unit and shall be maintained by the Association as a part of the common area and facilities. No townhouse unit owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of his townhouse unit or do any work which would jeopardize the soundness or safety of the properties, reduce the value thereof, or impair any easement or hereditament without in every such case first obtaining the consent of the Association. A townhouse unit owner shall promptly report to the Association any defect or need for repairs for which the Association is responsible. It shall be the further duty of each townhouse unit owner to maintain in good condition his patio, and to exercise reasonable efforts to prevent the common areas from accumulating debris, litter, or other unsightly objects.

(b) All maintenance, repairs, and replacements to the common areas and facilities, whether located inside or

outside of the townhouse units, shall be made by the Association and in accordance with the Declaration and be charged as a common expense by the Board of Directors to all townhouse unit owners. All payments for such maintenance, repairs and replacements to the common areas and facilities shall either be documented by payment vouchers and approved by the Board of Directors, or by one of its officers designated to act by said Board in approving payment vouchers, or be paid by the Community Association in accordance with the Association's contract with such Community Association.

Section 6. Use of the Properties. The use of the properties shall be in accordance with the following provisions:

(a) Common Areas and Facilities. The common areas and facilities shall be used only for the purposes for which they are reasonably suited and which are incidental to the use and occupancy of the townhouse units.

(b) Buildings and Townhouse Units. The buildings and each of the townhouse units are to be used for providing living accommodations for the townhouse unit owners, and for related uses and enjoyment. Notwithstanding anything herein to the contrary, Declarant may retain ownership of one or more townhouse units for use as models and sales and/or promotion offices in connection with the sale or rental of townhouse units. No nuisances shall be allowed upon the properties, nor any use or practice which is the source of annoyance to other owners or which interferes with the peaceful possession and proper use of a lot of townhouse unit by its owner.

(c) Occupancy Restrictions. The occupancy of each townhouse unit shall be restricted as follows:

(i) No two-bedroom townhouse unit shall be occupied by more than two (2) adults or two (2) adults and two (2) minor children.

(ii) No three-bedroom townhouse unit shall be occupied by more than three (3) adults or two (2) adults and four (4) minor children.

(iii) The term "adults" shall mean persons who have attained the age of eighteen (18) years, and the term "minor children" shall mean persons who have not attained the age of eighteen (18) years.

Notwithstanding the foregoing restrictions, the Board of Directors of the Association, in its sole discretion, may consent to the occupancy of a townhouse unit by more persons than permitted by these restrictions.

(d) Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the properties, and all laws, zoning ordinances, and regulations of governmental bodies having jurisdiction over the properties shall be observed. The obligation of complying with requirements of governmental bodies as to the maintenance, modification, or repair of any part of the properties shall be imposed on the same person who has the obligation to maintain and repair such property by the terms of the Declaration or these Bylaws.

(e) Leasing. No townhouse unit shall be rented for transient purposes, or, without the prior written approval of the Board of Directors, for any period of less than twelve (12) months, or to more than four (4) persons. No more than four (4) persons shall be permitted to reside in any townhouse unit. No townhouse unit owner shall be entitled to rent his townhouse unit if he is delinquent in the payment of any assessment required by the Declaration or by these Bylaws. Any townhouse unit lease shall contain a provision to the effect that the rights of the tenant to use and occupy the townhouse unit shall be subject and subordinate in all respects to the provisions of the Declaration, these Bylaws, and to the Rules and Regulations of the Association. The provisions of this subsection 10(e) shall not apply to any institutional mortgagee of any townhouse unit who obtains possession of the townhouse unit by reason of any remedies provided by law or in its mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceedings, arrangement, or deed in lieu of foreclosure.

(f) Sale. Subject to the Declaration, these Bylaws, and the Rules and Regulations, sales of a townhouse unit shall be unrestricted.

Section 7. Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the buildings upon the properties and placed on the dividing line between the townhouse units shall constitute a party wall, and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Weatherproofing. A townhouse unit owner who by his negligent or willful act causes the party wall to be exposed to the elements shall, notwithstanding anything in these Bylaws to the contrary, be assessed for the entire cost of furnishing the necessary protection against the elements.

(c) Arbitration. In the event of any dispute pertaining to a party wall, or arising under the provisions of this Section 7, such dispute shall be submitted to and determined

by a board of three arbitrators as follows: The party desiring to have the matter in dispute submitted to arbitration shall give the other party written notice of such desire and shall name one of the arbitrators in such notice. Within ten (10) days after the receipt of such notice, the other party shall name a second arbitrator, and in case of failure to do so, the party who has already named an arbitrator may have the second arbitrator selected or appointed by a Judge of the Douglas County, Kansas, District Court, acting in a nonjudicial capacity, and the two arbitrators so appointed in either manner shall select and appoint a third arbitrator, and in the event the two arbitrators so appointed shall fail to appoint the third arbitrator within ten (10) days after the naming of the second arbitrator, either party may have the third arbitrator selected or appointed by said Judge, and the three arbitrators so appointed shall thereupon proceed to determine the matter in question, disagreement, or difference, and the decision of any two of them shall be final, conclusive, and binding upon all parties. In all cases of arbitration, the parties thereto shall each pay the expenses of his attorneys' and witnesses' fees, and all other expenses of such arbitration shall be divided equally between the parties.

Section 8. Board of Directors May Act for Townhouse Unit Owners. Whenever in the Declaration or these Bylaws, the Board of Directors or the members thereof are authorized or directed to acquire, hold, lease, mortgage, or convey any part of or interest in the properties, or to acquire any lien thereon, or to acquire or receive the proceeds to any policy of insurance or other monies, goods, or chattels, with respect to the properties, such action shall be carried out in the names of the members of the Board of Directors and their successors in office from time to time, as trustees, on behalf of some or all of the townhouse unit owners, as the case may be.

Section 9. Power of Attorney to Board of Directors. Each townhouse unit owner, by accepting title to a townhouse unit, hereby grants to the persons who shall from time to time constitute the Board of Directors, but subject to the terms and provisions of the Declaration and these Bylaws, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any lot and the townhouse unit thereon whose owner desires to surrender, sell, or lease the same, or which may be subject of a foreclosure or other judicial sale, in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all townhouse unit owners, and to convey, sell, lease, sublease, mortgage, or otherwise deal with any such unit so acquired or leased.

Section 10. Right of Access. The manager, Community Services Association, or any other person authorized by the Board of Directors shall have the right of reasonable access to each

townhouse unit for the purpose of correcting any condition originating in such townhouse unit and/or threatening another townhouse unit or the common areas and facilities, and for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas in such townhouse unit or elsewhere in the buildings, provided that requests for entry shall be made in advance and any such entry is at a time reasonably convenient to the townhouse unit owner. In case of an emergency situation, however, such right of entry shall be immediate, whether the townhouse unit owner is present.

Section 11. Electric, Gas, and Water Services. Electric, gas, and water services shall be supplied by public utility companies directly to each townhouse unit through a separate meter, and each townhouse unit owner shall be required to pay the bills for electricity, gas, sewer service, and water consumed or used in his townhouse unit. Electricity, gas, and water serving the common areas and facilities shall be separately metered, and the Board of Directors shall pay all bills for such utilities consumed in such portions of the common areas and facilities, as a common expense.

Section 12. Rules of Conduct. Reasonable rules and regulations concerning the use of the townhouse units and the common areas and facilities may be made by the Board of Directors from time to time. Copies of such rules and regulations shall be furnished by the Board of Directors to each townhouse unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until superseded or amended by the Board of Directors, as above referred to, are annexed hereto and made a part hereof as Schedule A.

ARTICLE VI

MORTGAGES

Section 1. Notice to Board of Directors. A townhouse unit owner who mortgages his townhouse unit, shall notify the Board of Directors of the name and address of his mortgagee and the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartments."

Section 2. Notice of Unpaid Common Charges and Notice of Loss or Taking. The Board of Directors, whenever so requested in writing by any mortgagee of a townhouse unit, shall promptly, in writing, notify the mortgagee of any default in the performance by the individual townhouse unit mortgagor of any obligation under the Declaration, these Bylaws, or the Rules and Regulations, and any then unpaid common charges due from the owner of the mortgaged townhouse unit.

Section 3. Notice of Default. The Board of Directors, when giving notice to an townhouse unit owner of a default in payment

of common charges or other default, shall within thirty (30) days following such default send a copy of such notice to the townhouse unit owner, including any contract seller, if notice of a contract sale shall have been furnished to the Board of Directors, and to the holder of a mortgage covering such townhouse unit whose name and address have theretofore been furnished to the Board of Directors.

Section 4. Examination of Books. Each townhouse unit owner and each mortgagee of a townhouse unit shall be permitted to examine the books and records of the Association at reasonable times on weekdays, but not more often than once a month.

ARTICLE VII

SALES AND LEASES OF TOWNHOUSES

Payment of Assessments. No townhouse unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his townhouse unit unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his townhouse unit and until he shall have satisfied all unpaid liens against such townhouse unit, except a bona fide mortgage.

ARTICLE VIII

RECORDS

Section 1. Records and Audits. The Board of Directors shall keep or cause to be kept detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the members of the Association, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures as well as a separate account for each townhouse unit which, among other matters, shall contain the amount of each assessment of common charges against such townhouse unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be given by the Board of Directors to all townhouse unit owners at least semi-annually. In addition, an annual report of the assets and liabilities, including receipts and expenditures of the Association, certified by an independent certified public accountant, shall be delivered by the Board of Directors to all townhouse unit owners, and to all mortgagees of townhouse units who have requested the same, within sixty (60) days after the end of each calendar year.

Section 2. Statement of Account. Upon ten (10) days notice to the Board of Directors or manager, and payment of a reasonable fee, any townhouse unit owner shall be furnished a statement of

his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

ARTICLE IX

DEFAULT

Section 1. Event of Default. Failure on the part of a townhouse unit owner to comply with any of the terms of the Declaration, these Bylaws, the Rules and Regulations of the Association, shall constitute an event of default and shall be grounds for relief which may include, without limitation, an action by the Association to recover damages and for injunctive relief, or any combination thereof or any other appropriate relief.

Section 2. Enforcement. The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including Five Hundred Dollars (\$500.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of the Declaration, these Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Article V.

Section 3. Negligence. A townhouse unit owner shall be liable for the expense of any maintenance, repair, or replacement to or of the common areas and facilities or to any townhouse unit, including his own, rendered necessary by his act, neglect or carelessness, or by that of any member of his household, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not fully covered by the proceeds of insurance carried by the Association. A townhouse unit owner shall pay the Association the amount of any increase in its insurance premiums occasioned by the townhouse unit owner's use, misuse, occupancy or abandonment of a townhouse unit or its appurtenances, or of the common areas and facilities.

Section 4. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a townhouse unit owner to comply with the terms of the Declaration, these Bylaws, or the Rules and Regulations of the Association, as they may be amended from time to time, the Association shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

Section 5. Abatement and Enjoinment of Violations by Townhouse Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, or the breach of any Bylaw, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth herein: (a) to enter on or in the lot or townhouse unit on or in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting townhouse unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In the event any action is brought against a townhouse unit owner claiming, asserting, or enforcing a lien against the townhouse unit or common areas and facilities, the townhouse unit owner shall give prompt written notice thereof to the Board of Directors.

Section 6. Remedies Cumulative. All rights, remedies, and privileges granted to the Association or any townhouse unit owner or owners pursuant to the terms, provisions, covenants, or conditions of the Declaration, these Bylaws, the Rules and Regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more of them shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be available to such party at law or in equity.

ARTICLE X

COVENANTS COMMITTEE

Section 1. Number, Qualification, and Term. The Covenants Committee shall consist of five members. Until Class B membership shall terminate, and thereafter until their successors have been elected by the townhouse unit owners, the Board of Directors, designated by the Declarant shall have the right to select and appoint the members of the Covenants Committee. The term of office for each member shall be one year.

Section 2. Purpose. It is the Declarant's intent, and it is deemed in the best interest of all townhouse unit owners, occupants, mortgagees, and the general common welfare that the properties always be maintained in a manner which provides for visual harmony and soundness of repair and that such activities as take place within the properties be neither deleterious to the property values and attractiveness of the properties, nor deleterious to the comfort of the townhouse unit owners or their guests or tenants, and, in pursuit thereof, a Covenants Committee shall be established.

Section 3. Operation. The Covenants Committee shall regulate the external design, appearance, use, and maintenance of the common elements and the townhouse units. On behalf of and as agent for each townhouse unit owner, and upon any townhouse unit owner's petition, the Covenants Committee shall have standing to notify and issue a cease and desist request to another townhouse unit owner, his guests, invitees, or tenants whose actions may be deemed inconsistent with the provisions of the Declaration, these Bylaws, duly adopted Rules and Regulations, resolutions of the Board of Directors, and the general common good and welfare of the townhouse unit owners. In addition to the above responsibilities and duties, the Covenants Committee shall from time to time, and as required, provide interpretations of the Declaration, these Bylaws, Rules and Regulations, and resolutions, provided, however, that a vote of the quorum of a Board of Directors may alter, reserve, or overturn an interpretative ruling of the Covenants Committee. Any action of the Covenants Committee may be appealed to the Board of Directors by any party or parties deemed by the Board of Directors to have standing as an aggrieved party or parties. An appeal to be successful shall require an affirmative vote of quorum of the Board of Directors.

Section 4. Agent. For purposes of interpreting the scope of authority of the Covenants Committee within the context of the overall structural powers, authorities, and responsibilities vested in the various entities which are part of the legal, administrative, and operational aspects of the properties, the Covenants Committee shall be deemed an agent of the townhouse unit owners, the Association, the Board of Directors, or any individual owner, as the context or provisions of the Declaration, Bylaws, Rules and Regulations, and resolutions indicate; provided, however, that the Board of Directors may on a case-by-case basis, and upon a quorum of the Board of Directors, vote to relieve the Covenants Committee of the powers of agent as to powers for which it has ultimate responsibility. The manner in which the Covenants Committee shall carry out its duties and obligations shall be provided for in duly adopted resolutions of the Board of Directors.

ARTICLE XI

MISCELLANEOUS

Section 1. Notices. All notices to the Association or to the Board of Directors hereunder, except as otherwise provided herein, shall be in writing and sent by registered or certified mail to the Board of Directors at its office at Massachusetts at South Park Streets, Lawrence, Kansas, 66044, or to such other address as the Board of Directors may hereafter designate from time to time. Notices to any townhouse unit, except as otherwise provided herein, shall be deemed given when sent by regular or certified United States mail to his townhouse unit address or to such other address requested by the townhouse

unit owner by prior mortgagees of townhouse units shall be sent by regular or certified United States mail to their respective addresses, as designated by them from time to time, in writing, to the Association. All notices sent by regular or certified United States mail shall be deemed to have been given when deposited in the United States mail in the manner aforementioned.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the other parts of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

AMENDMENTS TO BYLAWS

These Bylaws may be modified or amended only by the Declarant, or the Declarant and the Board of Directors, until Class B membership shall terminate. Thereafter these Bylaws may be modified or amended by the vote of 75% of the townhouse unit owners at a meeting of townhouse unit owners duly held for such purpose.

ARTICLE XIII

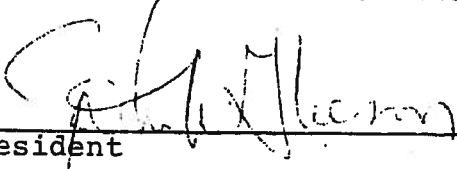
CONFLICTS

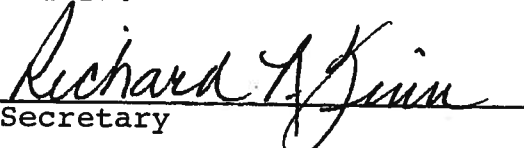
Section 1. Conflicts. These Bylaws are set forth to comply with and supplement the requirements and provisions of the Kansas Townhouse Ownership Act, and the Declaration. In case any of these Bylaws are contrary to or in conflict with the provisions of said Act or Declaration, as the case may be, the applicable provisions of said Act or Declaration shall control.

The foregoing were adopted as the Bylaws of Woodcreek Townhouse Association, Inc., a corporation not for profit under

the laws of the State of Kansas, at the meeting of its Board
of Directors on September 15, 1986.

WOODCREEK TOWNHOUSE ASSOCIATION, INC.

By: 
President

ATTEST:

Secretary



255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

E-mail: WoodCreekMail@gmail.com

Wood Creek Townhouse Association, Inc.

**Amended Bylaws of Wood Creek
Townhouse Association, Inc.**

March 15, 2000

179536

CERTIFICATE
OF
RESOLUTION

Index Numerical Index 015016
No. 179536 Book 675 Page 507
State of Kansas, Douglas County, SS.
Recorded in Book 675 Page(s): 507 - 507
Filed May 16, 2000 1:52 PM Fees \$10.00
Register of Deeds



At a duly constituted meeting of the Members of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation (the "Association"), held on March 15, 2000, the following resolutions were adopted:

WHEREAS, Section 9(a) of the Declaration of Woodcreek Townhomes, dated September 15, 1986, and filed of record in Book 396, beginning at Page 1284 in the Office of the Register of Deeds of Douglas County, Kansas (the "Declaration"), and Article V, Section 2(a) of the Amended Bylaws of the Association, dated September 15, 1986 (the "Bylaws"), require the Association to provide flood insurance for each of the townhomes in the name of the Association, and the Members desire to amend the Declaration and the Bylaws to relieve the Association of the responsibility to obtain and maintain flood insurance for those townhomes which are owned by persons who become Members of the Association after the effective date of this Resolution, and to allow such persons to obtain and maintain flood insurance for such persons' own townhomes at such persons' sole cost and expense;

BE IT RESOLVED, pursuant to Section 20.2 of the Declaration at least seventy-five percent (75%) of the Members eligible to vote, either in person or by proxy, voted in favor of amending Section 9(a) of the Declaration, as set forth in Exhibit A, attached to this Resolution and made a part hereof by reference.

BE IT RESOLVED FURTHER, pursuant to Article XII of the Bylaws, at least seventy-five percent (75%) of the Members eligible to vote, either in person or by proxy, voted in favor of amending Article V, Section 2(a) of the Bylaws, as set forth in Exhibit B, attached to this Resolution and made a part hereof by reference.

WHEREAS, we, the undersigned officers of the Association, hereby certify that the foregoing is a true copy of the resolutions duly adopted by the Members of Woodcreek Townhouse Association, Inc. and that the amendment to the Declaration, attached to this Resolution as Exhibit A, and the amendment to

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3/7/00

Woodcreek Community Serv.
255 N. Michigan
1st fl. 44

BOOK 675 PAGE 507

the Bylaws, attached to this Resolution as Exhibit B, were duly adopted by at least seventy-five percent (75%) of the Members of the Association eligible to vote at a meeting held on March 15, 2000, and upon the filing of this Resolution in the Office of the Register of Deeds of Douglas County, Kansas, such amendments shall be effective and enforceable without further action by the Members or by the Board of Directors.

Dated effective this 15th day of March, 2000.

**WOODCREEK TOWNHOUSE
ASSOCIATION, INC.**

BY: [Signature]
President

BY: [Signature]
Vice President

BY: [Signature]
Secretary

STATE OF KANSAS)
) ss:
COUNTY OF DOUGLAS)

^{May} The foregoing instrument was acknowledged before me on this 11 day of ~~March~~, 2000, by Michael Bagby, President of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation, on behalf of said corporation.

[Signature]
Notary Public

My appointment expires: 10/23/2003



EXHIBIT A

**AMENDMENT TO DECLARATION OF
WOODCREEK TOWNHOMES**

This Amendment to Declaration of Woodcreek Townhomes is made this 15th day of March, 2000, by the Members of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation (the "Association").

WHEREAS, the Declaration of the Association, dated September 15, 1986 (the "Declaration") was filed of record on September 15, 1986, in Book 396, beginning at Page 1284 in the Office of the Register of Deeds of Douglas County, Kansas;

WHEREAS, pursuant to Section 20.2 of the Declaration, at least seventy-five percent (75%) of the members of the Association eligible to vote desire to amend the Declaration of Woodcreek Townhomes;

THE DECLARATION OF WOODCREEK TOWNHOMES is, therefore, hereby amended and modified as follows:

1. Section 9(a) shall be amended as follows:

9. Insurance.

(a) The Board of Directors of the Association shall be required to obtain and maintain, to the extent obtainable, fire and all risks insurance on the properties for the full insurable replacement cost of the common areas and facilities and the townhouse units, excluding land, foundation, and excavations, and including all personal property, fixtures, and equipment included in the common areas and facilities. The Board of Directors of the Association also shall be required to maintain flood insurance only on the townhouse units for which flood insurance is being

STATE OF KANSAS)
)
) ss:
COUNTY OF DOUGLAS)

~~March~~ ^{May} The foregoing instrument was acknowledged before me on this 15 day of ~~March~~, 2000, by Michael Kemppainen, Vice President of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation, on behalf of said corporation.

Colette L. Schutte
Notary Public

My appointment expires: 1-13-03

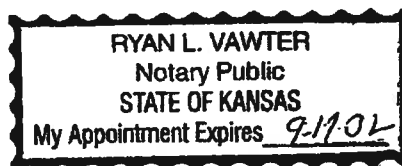


STATE OF KANSAS)
)
) ss:
COUNTY OF DOUGLAS)

~~March~~ ^{May} The foregoing instrument was acknowledged before me on this 12th day of ~~March~~, 2000, by Sarah P. Leming, Secretary of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation, on behalf of said corporation.

[Signature]
Notary Public

My appointment expires: 9-17-02



provided by the Association as of the date of this Resolution (the "Covered Units"), and the Association's obligation to provide flood insurance for each Covered Unit shall exist only until such time as a change of ownership occurs for any such Covered Unit, at which time the Association's obligation to provide flood insurance for the Covered Unit to which a change of ownership shall have occurred shall cease as of the date of the change of ownership. A change of ownership shall be deemed to occur concurrently with a change of membership in the Association as set forth in Section 10.12 of this Declaration. All personal property, equipment and furnishings of the townhouse unit owners shall be excluded. The insurance coverage to be obtained by the Association shall be written in the name of, and the proceeds thereof shall be payable to the Board of Directors, as trustee for each of the townhouse unit owners and their first mortgagees, as their interest may appear. The policy of insurance may contain a loss payable clause containing the words "to the holder or holders of mortgages of record, if any, as their interests may appear" without specifically naming the holder or holders in the clause, in which event the proceeds shall thereupon be payable jointly to the Board of Directors and the respective holder or holders of mortgages of record, as trustees for each of the townhouse unit owners, subject, however, to the reconstruction provisions hereafter provided. Notwithstanding such loss payable provisions, no mortgagee shall have the right to require or elect to apply any insurance proceeds upon its mortgage unless (1) such proceeds shall be the excess of insurance payments over replacement costs of the damaged townhouse unit and other portions of the property appurtenant thereto, and then only after the same have been fully repaired and restored, or (2) the townhouse unit owners and their first mortgagees shall fail to elect rebuild as provided by this Declaration. The trustees shall have full power to adjust all insurance losses by suit or otherwise and payment accepted by the trustees hereunder shall constitute a discharge to the insurer. Premiums for the insurance shall be common expenses. In addition, the Board of Directors shall obtain and maintain workmen's compensation insurance and other such insurance as the Board of Directors may determine. Such policies shall provide that adjustment or loss shall be made by the Board of Directors and the premiums shall be common expenses.

2. The Declaration of Woodcreek Townhomes is hereby amended as aforesaid, and except as amended and modified herein, is hereby ratified, affirmed and adopted by the Members of Woodcreek Townhomes.

EXHIBIT B

**AMENDMENT TO AMENDED BYLAWS OF
WOODCREEK TOWNHOUSE ASSOCIATION, INC.**

This Amendment to Amended Bylaws of Woodcreek Townhouse Association, Inc., is made this 15th day of March, 2000, by the Members of Woodcreek Townhouse Association, Inc., a Kansas nonprofit corporation (the "Association").

WHEREAS, the Association's Board of Directors adopted the Amended Bylaws of the Association on September 15, 1986, as the Bylaws of the Association (the "Bylaws");

WHEREAS, pursuant to Article XII of the Bylaws, at least seventy-five percent (75%) of the members of the Association eligible to vote desire to amend the Bylaws;

THE BYLAWS OF WOODCREEK TOWNHOMES are, therefore, hereby amended and modified as follows:

1. Section 2(a) of Article V shall be amended as follows:

Section 2. Insurance.

(a) The Board of Directors of the Association shall be required to obtain and maintain, to the extent obtainable, fire and all risks insurance on the properties for the full insurable replacement cost of the common areas and facilities and the townhouse units, excluding land, foundation, and excavations, and including all personal property, fixtures, and equipment included in the common areas and facilities. All personal property, equipment and furnishings of the townhouse unit owners shall be excluded. The Board of Directors of the Association also shall be required to maintain flood insurance only on the townhouse units for which flood insurance is being provided by the Association as of the date

of this Resolution (the "Covered Units"), and the Association's obligation to provide flood insurance for each Covered Unit shall exist only until such time as a change of ownership occurs for any such Covered Unit, at which time the Association's obligation to provide flood insurance for the Covered Unit to which a change of ownership shall have occurred shall cease as of the date of the change of ownership. A change of ownership shall be deemed to occur concurrently with a change of membership in the Association as set forth in Section 10.12 of the Declaration. The insurance coverage to be obtained by the Association shall be written in the name of, and the proceeds thereof shall be payable to the Board of Directors, as trustees for each of the owners and their first mortgagees, as their interests may appear. The policy of insurance may contain a loss payable clause containing the words "the holder of holders of mortgages of record, if any, as their interests may appear" without specifically naming the holder or holders in the clause, in which event any proceeds shall be payable jointly to the Board of Directors and the respective holder or holders of mortgages of record, as trustees for each of the townhouse unit owners, subject, however, to the reconstruction provisions. No mortgagee shall have the right to require or elect to apply any insurance proceeds upon its mortgage unless (1) such proceeds shall be the excess of insurance payments over replacement costs of the damaged townhouse unit and other portions of the property appurtenant thereto, and then only after the same have been fully repaired and restored, or (2) the townhouse owners and their first mortgagees shall fail to elect to rebuild as provided by this Declaration. The trustees shall have full power to adjust all insurance losses by suit or otherwise and payment accepted by the trustees hereunder shall constitute a discharge to the insurer. Premiums for the insurance shall be common expenses. In addition, the Board of Directors shall obtain and maintain workmen's compensation insurance and such other insurance as the Board of Directors may determine. Such policies shall provide that adjustment or loss shall be made by the Board of Directors and the premiums shall be common expenses.

2. The Bylaws of Woodcreek Townhomes are hereby amended as aforesaid, and except as amended and modified herein, are hereby ratified, affirmed and adopted by the Members of Woodcreek Townhomes.



255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

E-mail: WoodCreekMail@gmail.com

Wood Creek Townhouse Association, Inc.

**Amended Bylaws of Wood Creek
Townhouse Association, Inc.**

March 15, 2012



255 N. Michigan, Lawrence, KS 66044 • 785.842.5930 • woodcreekmail@gmail.com
Managed by Meadowlark Property Management

NOTICE OF BYLAW CHANGES PER MARCH 2012 ANNUAL MEETING BALLOT VOTE

At the 2012 Annual Meeting, Wood Creek Town Home Association members passed the following items:

5. Vote to offer an incentive in the form of reduction of dues to Board Officers at a rate of 30% and to Board Members at a rate of 20%. The purpose of this proposal is to encourage and reward participation by owners actively serving on the Wood Creek Board of Directors. One time and ongoing special assessments would not be eligible for this percentage reduction. In addition, the Board of Directors, by a two thirds vote would be able to remove this incentive for any board member that fails to participate regularly. A majority vote of eligible voters would also allow the dues reduction incentive to be suspended until the next annual meeting.

Original Language:

Bylaws, Article 2, Section 13 Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as a director unless such compensation is approved by a majority of townhouse unit owners as hereinafter described in Sections 7, 8 and 9 of Article III.

Approved Change:

Bylaws, Article 2, Section 13 Compensation. The Board of Directors may receive compensation from the Association for acting as directors in the form of a fixed percentage reduction of regularly assessed dues. Board members serving as Officers may receive a 30% reduction in monthly dues; Nonofficer Board Members may receive a 20% reduction in monthly dues. Said compensation percentage shall not include any one time or regularly charged special assessments. Said compensation shall immediately cease upon termination or resignation of any individual officer or board member. Said compensation percentage may be lowered or eliminated for an individual officer or member by a two thirds majority vote of the total Active Board of Directors. Compensation may be suspended until the next annual meeting by a majority of eligible townhouse unit owners as hereinafter described in Sections 7, 8 and 9 of Article III.

Original Language:

Bylaws, Article IV, Section 9. Compensation of Officers. No officer may receive any compensation from the Association for acting as an officer unless such compensation is approved by a majority of the association members as described in Sections 7, 8 and 9 of Article III hereof.

Approved Change:

Bylaws, Article IV, Section 9. Compensation of Officers. The Board of Directors may receive compensation from the Association for acting as directors in the form of a fixed percentage reduction of regularly assessed dues. Board members serving as Officers may receive a 30% reduction in monthly dues;

Non-officer Board Members may receive a 20% reduction in monthly dues. Said compensation percentage shall not include any one time or regularly charged special assessments. Said compensation shall immediately cease upon termination or resignation of any individual officer or board member. Said compensation percentage may be lowered or eliminated for an individual officer or member by a two thirds majority vote of the total Active Board of Directors. Compensation may be suspended until the next annual meeting by a majority of the association members as described in Sections 7, 8 and 9 of Article III hereof.

*Number of owners needed to establish a quorum = 50 (eligible owners present and/or via proxy at the meeting. Eligible owners are those not currently in default).

*Percentage of owners needed to pass the proposed change = 75% (of eligible owners present and/or via proxy at the meeting wherein the above quorum is established. Eligible owners are those not currently in default).

7. The Board of Directors proposes to increase the bylaw violation fine maximum allowable from \$500 to \$1,000 and clarify that the fine may be enforced annually should a violation fail to be cured by the owner. The purpose of this update is to deter rule violations and adjust maximum penalties to keep up with inflation.

Original Language:

Declaration - 19.1. Enforcement--The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including Seven Hundred Fifty Dollars (\$750.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of this Declaration, the Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Paragraph 8.

Approved Change:

Declaration - 19.1. Enforcement--The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) annually, against any townhouse unit owner who has breached or threatens to breach any of the provisions of this Declaration, the Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Paragraph 8. Should the violation fail to be corrected by the owner within one calendar year of the original levied fine, the Association shall have the further annual right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) until the violation is corrected.

Original Language:

Amended Bylaws Article IX - Section 2. Enforcement. The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including Five Hundred Dollars (\$500.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of the Declaration, these Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Article V.

Approved Change:

Amended Bylaws Article IX - Section 2. Enforcement. The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) annually, against any townhouse unit owner who has breached or threatens to breach any of the provisions of the Declaration, these Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Article V. Should the violation fail to be corrected by the owner within one year of the original levied fine, the Association shall have the further annual right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) until the violation is corrected.

*Number of owners needed to establish a quorum = 50 (eligible owners present and/or via proxy at the meeting. Eligible owners are those not currently in default).

*Percentage of owners needed to pass the proposed change = 75% (of eligible owners present and/or via proxy at the meeting). The Board of Directors proposes to increase the bylaw violation fine maximum allowable from \$500 to \$1,000 and clarify that the fine may be enforced annually should a violation fail to be cured by the owner. The purpose of this update is to deter rule violations and adjust maximum penalties to keep up with inflation.

Original Language:

Declaration - 19.1. Enforcement--The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth's vote of its Board of Directors to levy fines up to and including Seven Hundred Fifty Dollars (\$750.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of this Declaration, the

Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Paragraph 8.

Approved Change:

Declaration - 19.1. Enforcement--The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three-fourth' vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) annually, against any townhouse unit owner who has breached or threatens to breach any of the provisions of this Declaration, the Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Paragraph 8. Should the violation fail to be corrected by the owner within one calendar year of the original levied fine, the Association shall have the further annual right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) until the violation is corrected.

Original Language:

Amended Bylaws Article IX - Section 2. Enforcement. The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three fourth's vote of its Board of Directors to levy fines up to and including Five Hundred Dollars (\$500.00), against any townhouse unit owner who has breached or threatens to breach any of the provisions of the Declaration, these Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Article V.

Approved Change:

Amended Bylaws Article IX - Section 2. Enforcement. The Association, or any townhouse unit owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. Failure by the Association or by any townhouse unit owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the further right by three fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) annually, against any townhouse unit owner who has breached or threatens to breach any of the provisions of the Declaration, these Bylaws of the Association, or the Rules and Regulations of the Association, and to charge such fine as an additional assessment against such townhouse unit owner in accordance with Article V. Should the violation fail to be corrected by the owner within one year of the original levied fine, the Association shall have the further annual right by three-fourth's vote of its Board of Directors to levy fines up to and including One Thousand Dollars (\$1,000.00) until the violation is corrected.

*Number of owners needed to establish a quorum = 50 (eligible owners present and/or via proxy at the meeting. Eligible owners are those not currently in default).

*Percentage of owners needed to pass the proposed change = 75% (of eligible owners present and/or via proxy at the meeting wherein the above quorum is established. Eligible owners are those not currently in default).

8. The Board of Directors proposes to establish a late fee not to exceed 10% of current monthly dues and special assessments). The purpose of this update is to clarify maximum late fees and increase penalties to encourage defaulting owners to bring their dues current.

Original Language:

8.10 - Default in Payment of Assessments. (a) In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts secured by a first real estate mortgage, or fifteen percent (15%) whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in attempting to collect such unpaid assessments. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in subparagraph 8.11.

Approved Change:

Declaration, Section 8.10 - Default in Payment of Assessments. (a) In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts secured by a first real estate mortgage, or fifteen percent (15%) whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including late fees and attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in attempting to collect such unpaid assessments. Late fees shall not exceed 10% of current monthly dues. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in subparagraph 8.11.

Original Language:

Amended Bylaws – Article V – Section 1(m) Default in Payment of Assessments. In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts not secured by a first real estate mortgage, or fifteen percent (15%), whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in any proceeding brought to collect such unpaid assessment. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in the Declaration.

Approved Change:

Amended Bylaws – Article V – Section 1(m) Default in Payment of Assessments. In the event of default by a townhouse unit owner in paying to the Association any assessment as determined by the Board of Directors, such townhouse unit owner shall be obligated to pay interest at a rate equal to the maximum rate then allowable in Kansas on notes and contracts not secured by a first real estate mortgage, or fifteen percent (15%), whichever shall be the lesser, on such assessments from the due date thereof, together with all expenses, including late fees and attorneys' fees (if and to the extent allowed by law) incurred by the Board of Directors in any proceeding brought to collect such unpaid assessment. Late fees shall not exceed 10% of current regular monthly dues and special assessments. The Board of Directors shall have the right to recover such assessments, together with interest thereon, and such expenses of the proceeding in any action to recover the same brought against such townhouse unit owner, and/or by foreclosure of the lien as provided in the Declaration.

*Number of owners needed to establish a quorum = 50 (eligible owners present and/or via proxy at the meeting. Eligible owners are those not currently in default).

*Percentage of owners needed to pass the proposed change = 75% (of eligible owners present and/or via proxy at the meeting wherein the above quorum is established. Eligible owners are those not currently in default).

What this means:

- Board officers will receive a 30% reduction in monthly association dues and non-officer board members will receive a 20% reduction in monthly association dues as a serving incentive. (The Board, by a two-third's majority, may vote to revoke this incentive.)
- Maximum allowable fine for Bylaw violations will increase from \$500 per violation to \$1,000 per violation. This is now an "annual" maximum; therefore, repetition of the same violation may result in up to a \$1,000 fine per year.
- Late fees on current monthly dues and/or special assessments will not exceed 10% of the late item. (NOTE: This is in addition to interest charged on unpaid balances.)

Implementation of the above is immediate.

Other items voted upon at the annual meeting were tabled until a future time due to failure to meet required quorum requirements.

Should you have any questions regarding any of the above items, please email the Board at woodcreekmail@gmail.com.

Thank you.

Wood Creek Town Home Association Board of Directors



255 N. Michigan Lawrence, KS 66044

Phone: 785-842-5930

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Wood Creek Townhouse Association, Inc.

**Rules and Regulations
for Wood Creek
Townhouses**

RULES AND REGULATIONS
FOR WOODCREEK TOWNHOUSES

1. No part of the property shall be used other than for residential purposes. No portion or all of any townhouse shall be used as a professional office as accessory to a residential use. Notwithstanding anything herein to the contrary, Declarant may use any townhouse or townhouses owned by Declarant as models and sales and/or promotional offices in connection with the sale or rental of townhouses.
2. There shall be no obstruction of the common areas nor shall anything be stored in the common areas without the prior consent of the Board of Directors, except as herein or in the Declaration or Bylaws expressly provided.
3. Each townhouse owner shall be obligated to maintain his townhouse and to keep it in good order and repair in accordance with the provisions of the Declaration and Bylaws.
4. Nothing shall be done or kept in any townhouse or in the common areas which will increase the rate of insurance of any of the buildings, or contents thereof, without the prior written consent of the Board of Directors. No townhouse owner shall permit anything to be done, or kept in his townhouse, or in the common areas, which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law.
5. Townhouse owners shall not cause or permit anything to be hung or displayed on or over any window, except thin-line designer blinds and draperies, or placed on the outside walls or doors of a building. No sign, awning, canopy, shutter, or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or at any window, without the prior consent of the Board of Directors. No light reflective materials shall be placed on any window.
6. All traffic and parking signs and markers in the common areas shall be strictly observed.
7. No bird, or animal shall be kept or harbored in any townhouse unless the same in each instance be expressly permitted in writing by the Board of Directors of the Woodcreek Townhouse Association, which permission may be conditioned on such terms and conditions as the Board of Directors in its sole discretion deems to be in the best interest of the Townhouse Association as a whole. Such permission in one instance shall not be deemed to constitute a blanket permission, or permission in any other instance; and any such

permission may be revoked at any time in the sole discretion of the Board of Directors. A pet may not be tied to fixtures and left unattended. It is the responsibility of the pet owner to remove and properly dispose of pet droppings. All dogs and cats shall be vaccinated for rabies in accordance with the ordinances of the City of Lawrence, Kansas. In the event a pet is permitted to remain in the common areas without being on a leash, the animal control officer of the City of Lawrence, Kansas may be summoned immediately for the purpose of removing such animal from the property. The owner shall indemnify the Board of Directors and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal on the property. If a pet becomes obnoxious to other owners by barking or otherwise, the owner thereof must cause the problem to be corrected; or, if it is not corrected, the owner, upon written notice by the Board of Directors, will be required to dispose of the animal within three (3) days of such written notice.

8. No noxious or offensive activity shall be carried on in any townhouse, or in the common areas, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to other townhouse owners or occupants. No townhouse owner shall make or permit any disturbing noises in the building by himself, his family, servants, employees, agents, visitors, licensees, and lessees, nor do or permit anything by such persons that will interfere with the rights, comfort, or convenience of other townhouse owners. No townhouse owner shall play upon, or allow to be played upon, any musical instrument or operate or allow to be operated, a stereo, phonograph, television set, or radio in the premises if the same shall disturb or annoy other occupants of the building. No townhouse owner shall conduct or permit to be conducted, vocal or instrumental instruction at any time.
9. Nothing shall be done in any townhouse or in, on, or to the common areas and facilities which will impair the structural integrity of any building or which would structurally change any of the buildings.
10. No clothes, sheets, blankets, laundry, or any other article shall be hung out of an townhouse or exposed on any part of the common areas. The common areas shall be kept free and clear of rubbish, debris and other unsightly materials.
11. The entryways to the townhouses shall not be decorated or furnished by any townhouse owner in any manner. No townhouse owner shall be allowed to put his name in or on the entryway to his townhouse or mail receptacles appurtenant thereto,

except in proper places and in the manner prescribed by the Board of Directors for such purposes.

12. No ventilator or air conditioning device, shall be installed in any townhouse without the prior written approval of the Board of Directors, which approval may be granted or refused in the sole discretion of the Board of Directors.
13. No motorcycle, motor scooter, moped, or similar motorized vehicle shall be taken into or from the townhouses, or allowed to stand in the entryway to an townhouse. All such vehicles shall be kept and stored in the parking area assigned to the townhouse whose owner or occupant shall own such vehicle.
14. Parking spaces will be assigned by townhouse address. In the event a person shall improperly park in a parking space assigned to another, the responsibility for removing the vehicle of such person improperly parked shall be the sole responsibility of the owner or occupant of the townhouse to which such parking space shall have been assigned.
15. No boats, motor homes, mobile homes, trailers, campers, or trucks other than pickup trucks not having a camper unit thereon, shall be parked or stored in any parking space or in the parking areas on the property. Any such vehicle may be tagged with a 24-hour tow away notice. This notice shall provide that if the offense is not corrected within 24 hours, the vehicle will be towed away at the owner's expense.
16. No townhouse owner, occupant, or any other person shall engage in the repair of an automobile or other motor vehicle on the property, other than minor repairs and causing a disabled vehicle to be made operable in order that it may be removed to a service facility for repair. Washing of vehicles on the property is prohibited. Any vehicle which appears abandoned or inoperable, even if parked in the property parking space, will be tagged with a 24-hour tow away notice.
17. No industry, business, trade, or profession shall be conducted, maintained, or permitted on any part of the property, nor shall any "for sale", "for rent", or "for lease" signs or other window displays or advertising be maintained or permitted on any part of the property or in any townhouse therein nor shall any townhouse be used or rented for transient, hotel, or motel purposes. The right is reserved by the Declarant and the Board of Directors, or its agent, to place "for sale", "for rent", or "for lease" signs on any unsold or unoccupied townhouses, and the right is hereby given to any mortgagee who may become the owner of any townhouse, to place such signs on any townhouse owned by such mortgagee, but in no event shall any sign be larger than one (1) foot by two (2) feet.

18. Nothing shall be altered or constructed in or removed from the common areas and facilities, except upon the written consent of the Board of Directors.
19. Each townhouse owner shall keep his townhouse in good state of repair and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, or entryways thereof, any dirt or other substance.
20. All radio, television, or other electrical equipment of any kind or nature installed or used in each townhouse, shall fully comply with all rules, regulations, requirements, or recommendations of the Board of Fire Underwriters, and the public authorities having jurisdiction of the property, and the townhouse owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in such townhouse, other than that initially installed by the Declarant.
21. Agents of the Board of Directors or the managing agent, or a workman authorized by the Board of Directors or the managing agent, may enter any room or townhouse in the building at any reasonable hour of the day after notification (except in cases of emergency) for the purposes permitted by the Declaration or Bylaws and for the purpose of inspecting such townhouse for the presence of any vermin, insects, or other pests, and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests.
22. Any consent or approval given under these rules and regulations may be added to, amended, or repealed at any time by resolution of the Board of Directors.
23. No garbage cans shall be placed in the entryways, nor shall anything be hung from the windows, entryways, or patios, or placed upon the window sills. All garbage and refuse shall be deposited with care in the garbage and refuse containers provided by the Association. No rugs or mops shall be shaken or hung from or on any of the windows, doors, or entryways.
24. No townhouse owner or occupant or any of his agents, servants, employees, lessees, licensees, or visitors shall, at any time, bring into or keep in his townhouse any flammable, combustible, or explosive fluid, material, chemical or substance.
25. Water closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, or debris or any other article be thrown into them. Any damage resulting from misuse of any water closets or other apparatus in such townhouse shall be repaired and paid for by the owner of such townhouse.

26. Each townhouse owner shall deposit one key to his townhouse with the Board of Directors or the managing agent to provide for any authorized entry in the absence of the townhouse owner. No townhouse owner shall alter any lock or install a new lock on any door of an townhouse without the written consent of the Board of Directors. In the event such consent is given, the townhouse owner shall provide the Board of Directors, or the managing agent, with an additional key pursuant to its right of access to the townhouse.
27. No townhouse owner or occupant shall permit the temperature in an townhouse to fall below 50° Fahrenheit. In the event an townhouse owner or occupant shall be away from his townhouse for more than one week's duration, he shall notify the Board of Directors or managing agent thereof.
28. No townhouse owner or occupant shall send any employee of the Board of Directors or of the managing agent out of a building on any private business of such owner or occupant, except as otherwise approved in writing by the Board of Directors or managing agent.
29. An townhouse owner desiring to lease his townhouse shall comply not only with the conditions for leasing set forth in the Declaration, but shall comply with the following provisions:
 - (a) Written notice of the townhouse owner's desire to lease his townhouse shall be given to the managing agent at least thirty (30) days prior to the date upon which the lease is to commence. Such notice shall include the intended duration of the lease, which shall not be for less than one (1) year without the written consent of the Board of Directors, and the monthly rent to be charged therefor. In the event the townhouse owner shall have secured a tenant, the name of such tenant shall also be included in the notice.
 - (b) No tenant, shall be permitted to have any pet in an townhouse.

(c) Any tenant, or the tenants collectively, in an townhouse shall have no greater parking rights than provided to the owner of that townhouse.

30. Complaints regarding the management of the townhouses and common areas and facilities or regarding actions of other owners shall be made in writing to the Board of Directors or the managing agent.
31. Use of common area electricity and water is prohibited unless prior written consent is given by the Board of Directors or the managing agent.
32. These rules and regulations may be modified, added to, or replaced at any time by the Board of Directors.