

BY-LAWS OF
LEAWOOD OAKS TOWNHOMES OWNERS ASSOCIATION
A Nebraska Nonprofit Corporation

ARTICLE I.

The name of this corporation is LEAWOOD OAKS TOWNHOMES OWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 12914 South 25th Street, Omaha, Nebraska, 68123, but meetings of members and of Directors may be held at such places within or without the State of Nebraska as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to Leawood Oaks Townhomes Owners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to:

- (a) The record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation, and
- (b) The purchaser, whether one or more persons or entities, under a recorded contract for the sale and purchase of a Lot, under which the Seller retains title solely as security for the performance of the purchaser's obligation under the contract.

Section 3. "Properties" shall mean and refer to all of Lots 1 through 30, inclusive, in Leawood Oaks Townhomes, a Subdivision in Sarpy County, Nebraska, as surveyed, platted and recorded, together with such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including any improvements thereto or thereon) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

Lots 29 and 30, Leawood Oaks Townhomes, a Subdivision in Sarpy County, Nebraska, as surveyed, platted and recorded.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Improved Lot" shall mean and refer to any Lot included within the Properties, exclusive of the Common Area, upon which shall be erected a dwelling, the construction of which shall be at least 80% completed, according to the plans and specifications for construction of said dwelling. All other Lots, exclusive of the Common Area, which shall be vacant or upon which shall be erected a dwelling, the construction of which shall be less than 80% completed, according to the plans and specifications for construction of said dwelling, shall be defined as "Unimproved Lots".

Section 7. "Declarant" shall mean and refer to KARTER, INC., its successors and assigns, if such successors or assigns should acquire more than one unimproved Lot from the Declarant for the purpose of development.

Section 8. "Declaration" shall mean and refer to the "Declaration of Covenants, Conditions and Restrictions" applicable to the properties, as recorded in the office of the Register of Deeds of Sarpy County, Nebraska, as from time to time amended.

Section 9. "Member" shall mean and refer to those persons and/or entities entitled to membership as provided in the Declaration.

ARTICLE III.

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held on the first Monday, which is not a national holiday, in the month of January, 1984, at 5:00 P.M., at 12914 South 25th Street, Omaha, Nebraska, 68123, and each subsequent regular annual meeting of the members shall be held on the first Monday, which is not a national holiday, in each January thereafter at the same hour and at the same address. Notice of such annual meetings of members need not be given.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or the Vice President, or by a majority of the Board of Directors, and shall be called by the Secretary of the Association upon receipt by such Secretary of a written request signed by members of the Association owning at least two-thirds (2/3) of the Lots in the Properties, other than Lots constituting Common Area.

Section 3. Notice of Meetings. Written notice of special meetings shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such Notice, postage prepaid, at least thirty (30) days, but not more than sixty (60) days, in advance of any such special meeting, to each member entitled to vote thereat, addressed to such member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of such Notice. Such Notice shall specify the place, day and hour of the meeting and the purpose of the meeting. Notice of any meeting may be waived either before or after the meeting.

Section 4. Quorum. Except as otherwise provided in the Articles of Incorporation of this Association, or in the Declaration or in these By-Laws, the presence at any meeting of members, either in person or by proxy, entitled to cast not less than one-fourth (1/4) of the votes of each class membership, shall constitute a quorum. If such quorum shall not be present or represented at any such members' meeting, the members entitled to vote at such meeting shall have the power to adjourn such meeting from time to time without notice other than announcement at the meeting, until a quorum, as aforesaid, shall be present, in person or by proxy.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of this Association. Each proxy shall be revocable and shall automatically cease when the member giving such proxy shall cease to be an Owner of a Lot, or at such earlier time as shall be specified in such proxy.

Section 6. Action Taken Without Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of all of the members. Any action so approved shall have the same effect as though taken at a meeting of the members.

ARTICLE IV.

BOARD OF DIRECTORS

Section 1. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) Directors, with the number of Directors to be set initially by the Articles of Incorporation of this Association, and from and after the time of the first meeting of members, by vote of the members at the annual members' meeting.

Section 2. Term of Office. Directors shall be elected for a term of one (1) year, and until their successors shall be elected and qualified. At each annual meeting the members shall elect Directors for the coming year and until their successors shall be elected and qualified.

Section 3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the votes cast by the members of the Association at any meeting called for such purpose. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Director as Employee. Nothing herein contained shall prevent a Director from also being an employee of the Association, and if any person is serving as a Director and also as an employee of the Association, such person may be compensated as determined from time to time by a majority of the Directors other than the person being compensated.

Section 7. Quorum. A majority of the Directors shall constitute a quorum at any meeting of the Directors and any action taken by a majority vote of the Directors present at any such meeting which has a quorum shall constitute the act of the Directors.

Section 8. Election. Election to the Board of Directors shall be by secret written ballot. Cumulative voting is not permitted. Each member voting may cast as many votes as such member shall be entitled to exercise under the provisions of the Declaration, for each Director to be elected. Persons receiving the largest number of votes shall be elected.

ARTICLE V.

DIRECTORS' MEETINGS

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall immediately follow the annual meeting of the members at which such Directors shall be elected, and at the same place. No notice of such annual meeting shall be required.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President, or by a majority of such Directors, upon three (3) days prior notice of the meeting given personally, by mail, by telephone, or by telegraph. Notice of any meeting may be waived either before or after the meeting.

Section 3. Regular Meetings. No regular meetings of the Board of Directors shall be required.

ARTICLE VI.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members and their guests and invitees thereon, and to establish penalties for the infraction thereof;
- (b) Suspend any member's voting rights and rights to use of any recreational facilities during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) Employ a manager, an independent contractor, and/or such other employees and/or agents as the Board may deem necessary, and to prescribe their duties and set their compensation.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all of its acts and of the corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class "A" members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association; and see that their duties are properly performed;

- (c) As more fully provided in the Declaration, to:
- (1) Fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 - (3) Foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action of law against the Owner personally obligated to pay the same.
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of any such certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on the property owned by the Association;
- (f) Cause all officers and/or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- (g) Cause the Common Area to be maintained;
- (h) Perform any other acts necessary to carry out the obligations of the Association, including maintenance of the exterior of residences on Lots in the Properties.

ARTICLE VII.

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of this Association shall be a President, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board may from time to time determine.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of members, except that the first officers shall be elected by the Board at its first meeting after incorporation of this Association.

Section 3. Term. Each officer of this Association shall be elected to hold office for a term of one (1) year and until such officers' successors shall have been elected and qualified, except as to the first elected officers.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, or to the President or to the Secretary of the Association. Such resignation shall take effect upon delivery thereof or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. Any officer appointed to fill such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Office: Any person may hold two (2) or more offices, provided, however, that no person shall at the same time hold the offices of President and Secretary.

Section 7. Duties of Officers:

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the corporation.
- (b) The Vice-President shall act in place of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the members; shall keep current records showing the members of the Association together with their addresses; and

shall perform such other duties as may be required of him by the Board.

- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association, along with any other person designated to sign the same by the Board of Directors; shall keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures of the Association, and shall perform such other duties as may be required of him by the Board.

ARTICLE VIII.

COMMITTEES

The Association shall appoint an architectural control committee, as provided in the Declaration. In addition, the Board of Directors shall appoint such other committees as the Board shall deem appropriate in carrying out the purposes of this Association.

ARTICLE IX.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X.

INSURANCE

The Association shall purchase and provide insurance with respect to the improvements (residential structures and related structures) located upon Lots within the Properties, including the Common Area, if any structures shall be located thereon, in an amount equal to at least eighty percent (80%) of the full replacement value of said improvements or in such amount as shall be required, from time to time, by any mortgage holder, whichever is higher, protecting against losses by fire, lightning, wind storm and other perils covered by standard coverage endorsements, and insurance against such other hazards and in such amounts as shall be determined from time to time by the

Board of Directors of the Association. Such insurance, however, may exclude from coverage all glass, garage doors, entrance doors and personal property belonging to the owner of any such Lot. The Association shall also provide appropriate liability insurance for the Association and its members with respect to the Common Area.

ARTICLE XI.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessment which is not paid when due shall be delinquent. If any assessment is not paid within thirty (30) days after the due date, such assessment shall bear interest from the date of delinquency at the highest legal rate (which is presently sixteen percent (16% per annum) and the Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any Court having jurisdiction of actions for the enforcement of such liens. Should any part of any assessment remain unpaid for more than sixty (60) days after the due date, the Association may declare the entire unpaid portion of such assessment for said year to be immediately due and payable and thereafter delinquent. No owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Area or by abandonment of such owner's Lot.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a corporate seal in circular form having its name incorporated therein, and showing that the corporation is a Nebraska nonprofit corporation.

ARTICLE XIII.

AMENDMENTS

Section 1. These By-Laws may be amended at any regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy, provided, however, that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class "B" membership.

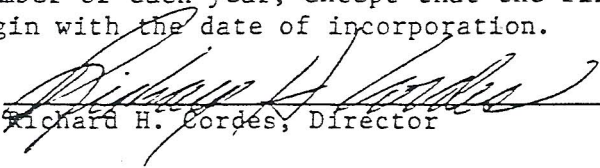
Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

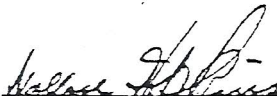
ARTICLE XIV.

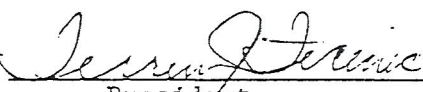
FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year, except that the first fiscal year of the Association shall begin with the date of incorporation.

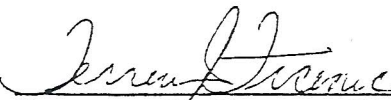
KARTER, INC.
A Nebraska Corporation, Member
(being owner of all Lots in Leawood
Oaks Townhomes, a Subdivision of
Sarpy County, Nebraska)


Richard H. Cordes, Director


Wallace Hopkins, Director

By 
President


Paul A. Rauth, Director


Terrence J. Ficenec, Director

*Karter, Inc
Builder
When 75%
lot sold,
then
homeowners
took over.*