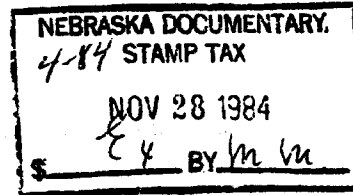


APPLEWOOD  
D1.1  
6.12.4

BOOK 1744 PAGE 355



Declaration Creating

APPLEWOOD LANE TOWNHOMES, A Condominium

THIS DECLARATION is made this 10<sup>th</sup> day of OCTOBER, 1984 by APPLEWOOD LANE DEVELOPMENT CO., a Nebraska partnership (herein referred to as "Declarant"), for itself and its successors and assigns.

Section 1.

1.1 Declarant is the owner of a certain tract of land (the "Property") entirely situated in the City of Omaha, Douglas County, Nebraska, as legally described in Exhibit B attached hereto and by specific reference incorporated herein.

1.2 Declarant intends and reserves the right to improve the Property by constructing thereon an anticipated 52 condominium units, together with the common and limited common elements hereinafter described, all pursuant to the provisions of the Uniform Condominium Act of Nebraska, R.R.S. Neb. Section 76-825 to 76-895, effective January 1, 1984.

1.3 Declarant hereby establishes a plan for the ownership in fee simple of the condominium and the respective Units thereof, as well as the ownership of the common and limited common elements. Each Unit shall consist of physical portion of the condominium designated herein for separate ownership or occupancy. The boundaries of the Units and descriptions of the common and limited common elements are described and set forth in Exhibit "B" which is attached hereto and by specific reference incorporated herein, all subject to taxes, assessments and the covenants, reservations and restrictions contained in this Declaration and the By Laws.

1.4 The condominium hereby established shall be known as "APPLEWOOD LANE TOWNHOMES, A CONDOMINIUM", hereinafter referred to as the "Project", which reference shall mean and refer to the entire Property, the Buildings and Units, as well as all other structures and improvements erected or to be erected thereon.

NOW, THEREFORE, Declarant declares that the following terms, covenants, conditions restrictions, easements, uses, reservations, limitations and obligations shall run with the land,

shall be a burden and a benefit to Declarant, its successors and assigns, each of the Owners (hereinafter defined), and all persons and entities having or acquiring any right, title or interest or to any part of the Property or the Project, their grantees, and their heirs, personal representatives, devisees, successors and assigns:

Section 2. DEFINITIONS.

2.1 "Unit Owners Association" or "Association" means Applewood Lane Owner's Association, Inc., a Nebraska not for profit corporation, the Articles of Incorporation and By-Laws of which shall govern the administration of the Project, and the members of which Association shall be all of the Owners of the Units.

2.2 "Buildings" means the free standing buildings containing various numbers of Units as shown on the Plan.

2.3 "Common elements" means all portions of the condominium other than the Units and the limited common elements, and includes: (a) the total land area within the Property; (b) the improvements erected and to be erected on the Property (excluding the Units), including yards, gardens, streets, roadways, pathways, and parking areas located within the perimeters of the Property; (c) sewer and utility lines of all sort servicing any of the Units; (d) the recreation facilities, if any, shown on the Plan; (e) the Manager's office; (f) the sales office and model Units, during the sales period referred to in paragraph 8.2; and (g) all other parts of the Project not heretofore mentioned, not installed for the benefit of only one Unit, but necessary or convenient to more than one Unit and to the existence, maintenance and safety of any of the Units, or normally in common use. All of the Owners of Units in the Project shall have a non-exclusive right in common with all of the other Owners to the use of recreational facilities, parking areas, sidewalks, pathways, roads and any streets located within the entire Project.

2.4 "Common expenses" means expenditures made by or financial liabilities of the Association, including but not limited to: (i) expenses of administration, operation and management, maintenance, repair or replacement of the common elements, together with an allocation to reserves, including, without limitation those expenses identified in paragraph 5.8; (ii) expenses declared to be common expenses by the provisions of this Declaration or the By-Laws of the Association; (iii) all sums lawfully assessed against the Owners by the Board of Directors of the Association; and (iv) expenses agreed upon as common expenses by the Unit Owner's Association.

2.5 "Condominium Project" or "Project" means all of the real estate herein described, and any additions thereto by amendment of this Declaration, portions of which are designated for separate ownership, and the remainder of which is designated for common ownership by the owners of such portions.

2.6 "Declarant" means APPLEWOOD LANE DEVELOPMENT CO., a Nebraska partnership, and its successors and assigns.

2.7 "First mortgage" means a mortgage with first priority over any other mortgage on the same property, and "first mortgagee" means the holder of a first mortgage.

2.8 "Limited common elements" means those parts of the common elements particularly described in paragraph 3.3 hereof which are either limited to and reserved for the exclusive use of an Owner of a Unit or are limited to and reserved for the common use of more than one but fewer than all of the Unit Owners.

2.9 "Mortgage" means a mortgage or deed of trust, and "mortgagee" means the holder of a mortgage or the beneficiary of a deed of trust.

2.10 "Owner" or "Unit Owner" means one or more natural persons, firms, corporations, partnerships, trusts, associations or other entities, or any combination thereof, who own an interest in one or more Units.

2.11 "Plan" or "Condominium Plan" means the engineering survey of the condominium, described in paragraph 3.4 hereof, depicting and locating on the Property all of the improvements and the Planned Unit Development Plan, as supplemented, amended and revised from time to time in accordance with the provisions of this Declaration.

2.12 "Property" means the real estate described in paragraph 1.1 of this Declaration.

2.13 "Unit" or "Condominium Unit" means one individual residence with attached garages which is bounded by and contained within the interior unfinished surfaces of the perimeter walls, roofs, windows and doors of each unit, including such garages, as shown on the Condominium Plan, together with all fixtures and improvements, floor and wall coverings therein contained, but not including any Common Elements located within the unit.

Section 3. DIVISION OF THE PROPERTY INTO CONDOMINIUM UNITS.

3.1 Division. The Property and the improvements thereon are hereby divided into Condominium Units designated on the Statement of Basic Values attached hereto as Exhibit "A". Each such Condominium Unit shall consist of the separately designated Unit identified on the Plan, the proportionate undivided share interest in and to the common elements appurtenant to such Unit as set forth in said Exhibit "A", and the right of use of the limited common elements which are appurtenant to such Unit.

3.2 Right to Change. There is reserved to the Declarant the right to (i) physically combine the space within one Unit with the space within one or more adjoining Units, or (ii) combine a part of or combination of parts of the space within one Unit with part or parts of the space within one or more adjoining Units, or (iii) subdivide any Unit into two or more units; or (iv) assign limited common elements as appurtenant to Units and sever limited common elements from Units and reassign them to other Units. Any such physical changes to Units and any such assignment or reassignment shall be reflected by an amendment to Exhibit "A" and the Plan, which amendment shall depict the affected Units as reconstituted and shall set forth the reapportioned undivided share interests of the Units affected. No such physical change or assignment shall be made without the written execution of the amendment by the Owner and the consent thereto by each of the Units affected. The cost and expenses incurred for legal, architectural and engineering fees relative to preparation of such amendment shall be borne by the person requesting such physical change to the Unit.

3.3 Limited Common Elements. A portion of the common elements is reserved for the exclusive use of individual Owners of the respective Units, and such areas are herein referred to as "limited common elements". The limited common elements so reserved are identified on the Plan and described in R.R.S. 1943 as amended Sec. 76-839; provided, however, that any court or balcony which is accessible from, associated with and which adjoins a Unit and any other limited common elements so identified on the Plan shall, without further reference thereto, be used in connection with such Unit to the exclusion of the use thereof by the other Owners of the common elements, except by invitation. No reference need be made to the limited common elements in any deed, instrument of conveyance or other instrument, whether such limited common elements are exclusive or nonexclusive.

3.4 Condominium Plan. The Condominium Plan is attached to this Declaration as Exhibit "B". In interpreting the Plan, the existing physical boundaries of each separate Unit and building, whether in their original state or existing or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the Plan and those of Buildings. Declarant reserves the right to amend the Plan, from time to time, to conform to the actual location of any of the constructed improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

3.5 Legal Description of Condominium Unit.

- (a) Every contract for the sale of a Condominium Unit written prior to the filing for record of the Plan or Declaration may legally describe a Condominium Unit by its identifying Unit designation, followed by the name of the Project. The location of such Unit on the Property shall be depicted on the Plan subsequently filed for record.
- (b) Every contract, deed, lease, mortgage, deed of trust, will or other instrument may legally describe a Condominium Unit by its identifying Unit designation, followed by the name of the Project, the recording data for the Declaration, and the county in which the condominium is located. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the general common elements and the limited common elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to an Owner's Unit and use of all of the common limited common elements appurtenant.

3.6 Permissible Forms of Ownership. A Condominium Unit may be held and owned in any real property estate or tenancy relationship recognized under the laws of the State of Nebraska.

3.7 Inseparability of Condominium Unit. Each Unit, the appurtenant undivided interest in the general common elements and the appurtenant limited common elements shall together comprise one Condominium Unit, shall be inseparable and may be conveyed, leased, devised or encumbered only as a Condominium Unit, provided, however, Units may be changed and limited common elements may be assigned and reassigned as provided in paragraph 3.2 hereof.

3.8 Non-Partitionability of General Common Elements. The common elements shall be owned in common by all of the Owners of the Units and Declarant (as long as it owns unsold Units or lots on which Units are to be constructed), shall remain undivided, and no Owner shall bring any action for partition or division of the common elements. Nothing contained herein shall be construed as a limitation of the right of partition of a Condominium Unit between the owners thereof, but such partition shall not affect any other Condominium Unit. Declarant shall be the Owner of all undivided interests in and to the common elements appurtenant to unsold and unconstructed Units.

3.9 Easements for Encroachments. Each Unit is subject to such encroachments as are contained in its Building, whether the same now exist or may later be caused or created. In particular, if a Unit is partially or totally destroyed and then rebuilt, the Owners agree that minor encroachments upon other Units or upon parts of the common elements shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the common elements, the limited common elements, or on the Units for purposes of marketability of title or otherwise.

3.10 Termination of Mechanic's Lien Rights and Indemnification. Subsequent to the completion of the improvements described on the Plan, no labor performed or materials furnished and incorporated in a Unit with the consent of at the request of the Unit Owner, his agents, his contractor or subcontractor shall be the basis for filing of a lien against the common elements or against the Unit of any other Unit Owner who did not expressly consent to or request the services or materials. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the common elements for construction performed or for labor, materials, services or other products incorporated in an Owner's Unit at such Owner's consent or request. The provisions of this paragraph are subject to the reserved rights as set forth in paragraph 5.1.

Section 4. CREATION AND OPERATION OF THE APPLEWOOD LANE OWNER'S ASSOCIATION, INC.

4.1 Governing Documents. The common interests of all Owners with respect to the Project shall be governed and administered by the Association in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the

Association. The Articles of Incorporation of the Association are attached hereto as Exhibit "C", and the Bylaws of the Association are attached hereto as Exhibit "D".

4.2 Membership. Every Owner shall be a member of the Association and shall remain a member for so long as he is an Owner, and Declarant shall be a member as long as it owns any part of APPLEWOOD LANE TOWNHOMES, A CONDOMINIUM.

4.3 Voting Rights. The owners of each Unit shall collectively have and be entitled to cast one vote, in respect of any matter coming before the Association or the Owners as such. The Declarant shall have and be entitled to cast in all such matters the votes allocated to all Units not owned by any other Owner, whether or not such Units have been built or completed.

4.4 Appointment of Manager. The Board of Directors of the Association may retain and pay for the services of a Manager as provided in the By-Laws of the Association. If a majority of the first mortgagees shall so require in writing, the Board of Directors of the Association shall retain and pay for the services of a professional property manager for the Project. No agreement for the management of the Project shall be effective for a term beyond one year, renewable by agreement of the parties for successive one-year periods, and such management agreement shall be terminable for cause by the Board of Directors of the Association upon 30 days' written notice thereof.

4.5 Compliance with the Governing Documents. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations, decisions and resolutions of the Association as the same may be lawfully adopted and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief, or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Board of Directors on behalf of the Owners, or by an aggrieved Owner, or by the Association.

4.6 Revocation or Amendment to Declaration. Except as otherwise provided herein, this Declaration shall not be revoked unless the Owners representing an aggregate ownership of at least 80 percent of the total Units, whether or not such Units have been built or completed, and all of the holders of recorded first mortgages covering or affecting any or all of the Condominium Units consent and agree to such revocation by a duly recorded instrument. Except as otherwise provided herein, this Declaration shall not be amended unless Owners representing an aggregate ownership interest of 80 percent or more of the total Units, whether or not such Units have been built or completed,

and the holders of recorded first mortgages on Condominium Units to which pertain at least 75 percent of the votes of Condominium Units subject to mortgages, consent to such amendment by a duly recorded instrument; PROVIDED, HOWEVER, such consent shall not be required for an amendment made to the Plan pursuant to paragraph 3.4 hereof, or to the Plan and Exhibit "A" pursuant to paragraph 3.2 hereof; and PROVIDED FURTHER, that the boundaries of the Units, the numbers of votes appertaining to the Units, the fundamental purposes of the Project as set forth in the first sentence of paragraph 8.1 hereof, and the undivided interests in the common elements appurtenant to each Unit shall have a permanent character and, except as provided in paragraph 3.2, shall not be altered without the consent of the Owners representing all the Units, whether or not such Units have been built or completed, all of the holders of first mortgages, and no amendment changing the pro rata interest or obligation of any Unit for purposes of levying assessments and charges and determining shares of the common elements and proceeds of the Project shall become effective without receiving approval of Owners representing ownership of all of the total Units, whether or not such Units have been built or completed, and all holders of first mortgages.

**4.7 Certificate of Identity of Management Body.** There shall be recorded from time to time a Certificate of Identity and the addresses of the persons then comprising the management body (directors and officers) of the Association together with the address of the Manager, if any. Such Certificate shall be conclusive evidence of the facts stated therein in favor of any person relying thereon in good faith, regardless of the time elapsed since the date thereof. The first such Certificate shall be recorded before 90 days after recording this Declaration.

**4.8 Owners' Access to Information.** All Owners shall have access, for a proper corporate purpose, to inspect the books, records and financial statements of the Association, upon such notice as the Board of Directors may reasonably require. During normal business hours, the Association shall have available for inspection by Owners, mortgagees and prospective purchasers, current copies of this Declaration, the Articles of Incorporation and Bylaws of the Association, and any rules and regulations which are then effective with respect to any part of the Project.

**Section 5. MAINTENANCE, REPAIRS, EMERGENCIES AND COMMON EXPENSES.**

**5.1 Right of Access.** The Association has the irrevocable right, to be exercised by the Board of Directors of the Association or its lawful delegate, to have access to each Unit from time to time during reasonable hours and with such notice as may be reasonable under the circumstances as may be necessary for



the maintenance, repair or replacement of any of the general or limited common elements therein or accessible therefrom; PROVIDED, HOWEVER, that such right of access shall be immediate without notice when access is necessary for the purpose of making emergency repairs therein in order to prevent damage to any of the common elements or to any Unit.

**5.2 Responsibility for Damage.** Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the common elements or as a result of emergency repairs within another Unit shall be a common expense of all of the Owners. If any damage to a Unit or any of the common elements is caused by the negligent or tortious act of a Unit Owner, members of his family, his agent, employee, invitee, licensee, tenant, or pet then such Unit Owner shall be responsible and liable for all such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. In the event any Unit Owner fails to restore the Unit or the common elements as set forth herein, the Association may perform such work, invoice the responsible Unit Owner for the cost thereof and secure and enforce a lien against the Unit of the responsible Owner in like manner as for the nonpayment of assessments for common expenses and assessments.

**5.3 Owner's Maintenance Responsibility.** For maintenance purposes, an Owner shall be obligated to keep in good repair and condition, at his own expense, the interior of his own Unit and including his garages, and up to the exterior surface of the supporting walls and roof, and the materials, including, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor coverings and flooring (including the sub-flooring) which make up the finished surfaces of the perimeter walls, roofs, interior stairways, floors, and roof within his Unit, including all glass, doors and windows, together with all fixtures and equipment installed within the Unit and garages, commencing at a point where the utilities enter the Unit, whether or not the same are general common elements or limited common elements. The lines, pipes, wires, conduits or systems which the common elements in part comprise shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Directors of the Association. An Owner's right to repair, alter and remodel the interior of his Unit shall be coupled with the obligation to replace any finishing or other materials removed with similar material have at least the same sound-absorbing characteristics. No Owner shall do any act or perform any work that will impair or tend to impair the structural soundness or integrity of the Building or interfere with or tend to interfere with any easement or hereditament. In the event any Owner fails to perform the maintenance required by this

paragraph, the Association may perform such work, invoice the responsible Unit Owner for the cost thereof and secure and enforce a lien against the Unit of the responsible Owner in like manner as for the nonpayment of assessments for common expenses and assessments.

5.4 Owner's Maintenance Responsibility for Certain Limited Common Elements. In addition to the maintenance required by paragraph 5.3, each Owner shall be obligated to keep neat, clean and in good and sanitary repair and condition, at his expense, those limited common elements which comprise patios, decks, grass, garden or shrubbery areas in courtyards adjoining his Unit and appurtenant thereto. In particular, courtyard garden areas will be maintained by the Owner free of weeds, compost, pet debris, and other unsightly or odorous conditions. In the event any Owner fails to perform the maintenance required by this paragraph, the Association may perform such work, invoice the Owner for the cost thereof and secure and enforce a lien against the Unit in like manner as for the nonpayment of assessments for common expenses and assessments.

5.5 Maintenance of Common Elements. Except as otherwise provided herein, the maintenance and operation of the common elements shall be the responsibility of the Association and the cost thereof shall be common expenses to be paid for by assessments levied equally against all Owners.

5.6 Special Assessments for Common Elements. There shall be no additions, alterations, or improvements, of or to the common elements requiring a special assessment in excess of \$200.00 per Unit in any one calendar year without prior approval of Owners representing an aggregate interest of fifty percent or more of the units. Such approval shall be expressed by a vote in favor thereof at a special or regular meeting of the Association Owners. Such expenditure shall be a common expense, and unless otherwise provided by the approving vote, (i) all costs for such additions, alterations or improvements, as well as any required repairs and replacements, shall be specially assessed against all Units equally; (ii) such additions, alterations, improvements, replacements and major repairs shall have no effect on any Owner's voting rights; and (iii) each Owner shall have the same interest therein as he has in other common elements. The limitation set forth in the first sentence of this paragraph shall not be applicable to any repair and maintenance of any common element or common personal property.

5.7 Assessment for Common Expenses. All Owners shall be obligated to pay an equal share for their respective Unit of the assessments imposed by the Board of Directors of the Association to meet the common expenses. Except as provided in paragraph 5.4, the limited common elements shall be maintained from assessments the

same as general common elements, and Owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated common expenses shall be due in advance on the first day of each calendar month, or at such other intervals as may be determined by the Board of Directors, and the Board of Directors shall prepare and deliver or mail to each Owner statements for the common expenses. The assessments provided for herein shall commence as to a particular Unit on the day of the conveyance of the Unit by Declarant. Assessments shall not be applicable to any Unit owned by Declarant until July of 1988.

5.8 Determination of Amount of Annual Assessments and Time for Making Such Determination. Until July 1, 1986 or until the first levy of annual assessments, whichever shall first occur, unless increased as provided in this paragraph, an interim assessment of \$ 95.00 per Unit per month shall be due and payable on the first day of each calendar month by the Owner of each Unit. The purchaser of a Unit shall pay to the Association on the date of closing the pro rata amount of the interim assessment. Thereafter interim assessments shall be due and payable on the first day of each calendar month. So long as the Declarant shall pay each month the difference between the amount of monthly assessments to be paid by Owners other than the Declarant and the total operating expenses of the Association for such month, no interim assessments shall be payable with respect to Units owned by the Declarant. The first annual assessment shall be levied against each Unit on July 1, 1988 or on any preceding July 1 if the Declarant has previously relinquished control of the Association. In November of each year the Board of Directors shall adopt an annual budget by estimating the amount of the annual assessments necessary to make payment of all estimated expenses growing out of or connected with the maintenance, repair, replacement, operation, addition, alteration and improvement of and to the general and limited common elements, together with an allocation to reserves, which sum shall include, but shall not be limited to, expenses of administration, taxes and special assessments other than separately assessed taxes and assessments on the Units, premiums for insurance, landscaping and care of grounds, common lighting and heating, care and repair and maintenance of streets, recreational facilities, street lights and yard lights, fences, entryways and gates, and other common elements not specifically listed herein, security services, snow removal from all common and limited common element areas, lawn and shrubbery care, sewer and utilities as may be required, repairs and renovations, trash and garbage collection, wages, water and sewer charges, legal and accounting fees, management fees, expense and liabilities incurred by the Manager or Board of Directors on behalf of the Unit Owners under or by reason of this Declaration or any corporate documents, for any deficit remaining

from the previous period, for the creation of a reasonable contingency reserve, for working capital as well as other cost and expenses required to be paid pursuant to this Declaration or the Bylaws of the Association and relating to the common elements or the common interests of the Owners. Notwithstanding the foregoing, except for special assessments for casualty repairs neither the monthly amount of the interim assessment nor the per-Unit annual assessment may not be increased in any year by more than 15 percent of the preceding year's assessment without approval of Owners representing an aggregate ownership of 75 percent or more of the Units whether or not then built or completed, at a regular or special meeting of the Association. Annual assessments to be levied against each Unit shall be the pro rata percentage of the total annual budget of the Association based on the number of Units built and completed. Within 15 days after making its determination, the Board of Directors shall give written notice to each Owner of the amount of his estimated annual assessment. The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or release Owners from their obligation to pay the same.

5.9 Owner's Personal Obligation for Payment of Assessments.

The amount of the common expenses assessed against each Unit shall be the personal and individual debt of each Owner thereof. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use of enjoyment of any of the common elements or by abandonment of his Unit. Both the Board of Directors and Manager shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid for more than 10 days from the due date for payment thereof. In the event of default in the payment of the assessment, the Unit Owner shall be obligated to pay interest at the rate of 18 percent per annum on the amount of the assessment from due date thereof (or such lesser rate as is then the maximum permissible by law), together with all expenses, including attorney's fees incurred in collecting such assessment, together with such late charges as may be provided for in the Bylaws of the Association. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing the lien provided for in paragraph 5.10, and such suit shall not be construed to be a waiver of the lien.

5.10 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment chargeable to a Unit not paid within 10 days after it is due shall constitute a lien on the Condominium Unit superior to all other liens and encumbrances, except liens for taxes, special assessments and first mortgages. As evidence of such lien, the Board of Directors shall prepare a written notice of assessment lien setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and

late charges thereon, the name of the Owner of the Unit and a legal description of the Condominium Unit. Such notice of assessment lien shall be signed by one member of the Board of Directors on behalf of the Association and shall be recorded in the office of the Register of Deeds of Douglas County, Nebraska. Such lien shall be effective from the due date of the assessment until all sums, with interest and other charges thereon provided for herein shall have been paid.

5.11 Foreclosure of Lien. Any lien arising as provided in paragraph 5.10 above may be enforced by the foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property, at any time after the recording of the notice of assessment lien. In any such proceedings, the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure proceedings, all additional costs, expenses and reasonable attorney's fees incurred, including any costs incurred to protect the security of the lien. The Owner of the Condominium Unit being foreclosed shall be required to pay to the Association the monthly assessments upon the Unit during the period of foreclosure, and the Association shall be entitled to a receiver during foreclosure. The Association shall have the power to bid on the Condominium Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey and otherwise deal with the same.

5.12 Right of Mortgagee with Respect to Unpaid Assessment and Owner's Default. Any mortgagee holding a mortgage on a Condominium Unit may pay, but shall not be required to pay, any unpaid assessments payable with respect to such Unit, and upon such payment, such mortgagee shall have a lien on the Condominium Unit for the amount paid of the same rank and priority as the lien of his mortgage without the necessity of recording a notice or claim of such lien. The Association shall report to first mortgagees any unpaid assessment remaining unpaid for longer than 30 days after the same is due and shall further report to first mortgagees any other default by the Owner of his obligations under this Declaration if the default is not cured within 30 days after notice to the Owner.

5.13 Statement of Unpaid Assessments. Upon written request by an Owner or his agent, or a prospective buyer or mortgagee of a Condominium Unit, the Association shall furnish a written statement of the amount of any unpaid assessments, the amount of the current assessments, the dates that assessments are due, the amount of any advance payments made, prepaid items such as insurance premiums and reserves therefor and deficiencies in reserve accounts. Such statement shall be conclusive against the Association in favor of all persons who rely thereon in good

faith. Unless such request is complied with within ten days after receipt of written request therefor, all unpaid common expenses which become due prior to the date of such request shall be subordinate to the rights of the person requesting such statement. A reasonable service fee shall be paid for furnishing the statement of account.

5.14 Priorities of Association's Liens. To the extent permitted by law, any lien other than a first mortgage shall always be subordinate to the prior and paramount lien of the Association for unpaid assessments for common expenses and for compliance by the Owner with all the terms, conditions, covenants, restrictions, uses, limitations and obligations of this Declaration and corporate documents governing the Association. To the extent permitted by law, any lienor other than the holder of the first mortgage shall release, for purposes of restoration of any improvements upon the encumbered Condominium Unit, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises by the Association. Such release shall be furnished forthwith by each lienor other than the holder of a first mortgage upon written request of the Association, and if such request is not complied with a release may be executed by the Association as attorney-in-fact for such lienor.

5.15 Transfer of Lot by Sale or Foreclosure. Sale or transfer of any Condominium Unit shall not affect the assessment lien. However, the sale or transfer of any Condominium Unit pursuant to foreclosure of a first mortgage shall extinguish the lien of assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Condominium Unit from liability for any assessments thereafter becoming due or from the lien thereof. The purchaser of a Condominium Unit, including any mortgagee, who obtains title to the same as a result of foreclosure of a first mortgage, his successors and assigns, shall not thereby become personally liable for the delinquent share of the common expenses or assessments, but such delinquent share of common expenses or assessments shall be reallocated among all of the Condominium Units in the Project, including the Condominium Unit foreclosed upon.

Section 6. INSURANCE, DAMAGE, DESTRUCTION AND OBSOLESCENCE.

6.1 Destruction, Damage or Obsolescence. Each of the Owners, by acceptance of a deed for his Condominium Unit, irrevocably constitutes and appoints the Association as his attorney-in-fact in his name, place and stead to deal with the building in which his Unit is situated, and with the Project upon destruction or damage, for its repair and reconstruction or for declaring it obsolete as hereinafter provided. The Association,

as attorney-in-fact, may maintain, repair and improve the Condominium Units, the Buildings and the general and limited common elements. Title to each Condominium Unit is declared and expressly made subject to the terms and conditions of this Section 6. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary or its other duly authorized officers or agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a Unit Owner which is deemed necessary or appropriate to exercise any of the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding paragraphs means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each Unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be payable to the Association for the purpose of repair, restoration, reconstruction or replacement unless the Owners and first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvements shall be promptly repaired and reconstructed.

6.2 Association to Maintain Insurance. The Board of Directors shall obtain and maintain, to the extent obtainable, the following insurance: (i) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire Project improvements and any common element personal property (excluding personal property owned by an Owner individually), in an amount not less than 90% of the full replacement value thereof, on a co-insurance basis, without deduction for depreciation. The policy shall contain a standard mortgage clause in favor of each mortgagee of a Condominium Unit which shall provide that the loss, if any, shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provision in favor of the Association set forth in paragraph 6.1; (ii) public liability insurance in such limits as the Executive Board may from time to time determine, covering each member of the Board, the Manager and each Unit Owner, but not covering individual Units. Such public liability insurance shall also cover cross liability claims of one insured against the other. Initially, such public liability insurance shall be in a single limit of \$1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence and the policy limits may be increased from time to time as the Executive Board deems appropriate; (iii) workmen's compensation insurance if required; (iv) such other insurance as the Executive Board

may determine. All policies of insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of an insured and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insured parties including mortgagees. Duplicate originals of all policies and renewals thereof together with proof of payments of premiums shall be delivered to all first mortgagees at least ten days prior to expiration of the then-current policies. The insurance shall be carried in blanket form naming the Association as the insured and as Attorney-in-fact for all the Unit Owners. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Directors shall obtain an appraisal of the full replacement value of the entire Project improvements, without deduction for depreciation, for the purpose of determining the amount of the insurance to be obtained pursuant to the provisions hereof.

**6.3 Unit Owners' Insurance.** Unit Owners may carry other insurance for their benefit and at their own expense, provided that all such policies shall contain waivers of subrogation, and provided, further, 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 Unit Owner. Insurance coverage on furnishings, interior improvements, and decorations, and other items of personal or other property belonging to an Owner and public liability coverage within each Unit shall be the sole and direct responsibility of the Owner thereof, and the Board of Directors, the Association and the Manager shall have no responsibility therefor.

**6.4 Action to be Taken if Insurance Proceeds are Insufficient to Repair and Damage is not More Than 60 Percent of Replacement Cost.** If the insurance proceeds are insufficient to repair and reconstruct the improvements and if repair of such damage will not cost more than 60 percent of the total replacement cost of the building in which the damaged Unit(s) is situated, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and, if insurance proceeds are insufficient, the Association may, by a 75% majority vote of all Units, whether or not built or completed, elect to provide for a special assessment to be made against all of the Owners and their Condominium Units, the proceeds of which shall be used to make up such deficiency. any sums so expended shall be a lien



against the property repaired, repayable to the Association together with ordinary interest at 14% per annum when title to the property is sold or transferred. Such deficiency assessment shall be a common expense and shall be due and payable within 30 days after written notice thereof has been mailed to each Owner. Subject to the foregoing, the Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction unless otherwise determined by the Board of Directors.

**6.5 Special Assessment Lien.** The assessment provided for in paragraph 6.4 shall be a personal debt of each Owner and a lien upon his Condominium Unit and may be enforced and collected as provided in paragraphs 5.9 and 5.11 above, and the Owner shall be required to pay to the Association all amounts provided for in said paragraphs. In addition, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association as attorney-in-fact, pursuant to the provisions of this paragraph. The proceeds derived from such sale shall be used and disbursed in the following order:

1. For payment of customary expenses of sale and the balance of the lien of any first mortgage;
2. For payment of taxes and special assessment liens in favor of any assessing entity;
3. For payment of unpaid common expenses and all costs, expenses and fees incurred by the Association;
4. For payment of junior liens and encumbrances in the order of and to the extent of their priority.

The balance remaining, if any, shall be paid to the Unit Owner.

**6.6 Action to be Taken if Insurance Proceeds are Insufficient to Repair and Damage is More than 60 Percent of Replacement Cost.**

- (a) **Sale of Damaged Units.** If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements, and the Owners thereof do not provide the

additional funds required, and if such damage is more than 60 percent of the total replacement cost of the building in which the damaged Unit(s) is situated, not including land, and if the Owners representing a majority of the Units in the Project, whether or not built or completed, do not within 100 days after the damage has occurred make provisions for reconstruction and obtain the approval for such action of the first mortgagees representing at least a majority of the Units which are subject to mortgages, then the Association shall forthwith record a notice setting forth such facts and thereafter the damaged Units shall be individually sold by the Association pursuant to the provisions of this paragraph, as attorney-in-fact for the Owners of the damaged building(s), subject to the provisions contained in this Declaration, Articles of Incorporation and the By-Laws. Assessments for costs and expenses shall not be abated during the period prior to sale. The net sales proceeds of each Unit in the damaged building shall be paid over to the Owner thereof by the Association. Any Purchaser of such Units shall be required to reconstruct the Unit within sixty (60) days after closing of the purchase, in accordance with the same plans and specifications for the exterior thereof as the original construction. Failure to comply with this provision shall constitute a violation of this Declaration which will constitute an option for the Association to purchase the Unit for a price equal to 50% of the amount paid by such purchaser for the damaged Unit.

- (b) Reconstruction. If the insurance proceeds are insufficient to repair and reconstruct the damaged improvements and if such damage is more than 60 percent of the total replacement cost of all the improvements in the Project not including land, and if the Owners and mortgagees adopt a plan for reconstruction, as provided in paragraph 6.5(a) within 100 days after the damage has occurred, then all the Owners shall be bound by the terms and other provisions of such plan. In that event such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners and their Units in accordance with the plan of reconstruction. Such assessment shall be a common expense and made according to each Owner's share interest in the common elements and shall be due and payable within 30 days after written notice thereof has been mailed to each Owner. Subject to the foregoing,

the Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction unless otherwise determined by the Board of Directors.

- (c) Special Assessment Lien. The Assessment provided for in subparagraph 6.6(b) shall be a personal debt of each Owner and a lien on his Condominium Unit and may be enforced and collected by either of the methods provided for in paragraphs 5.9, 5.11 and 6.5 above, and the Owner shall be required to pay to the Association all amounts provided for in said paragraphs. If the Association elects to sell the Condominium Unit, the proceeds shall be disbursed as set forth in paragraph 6.5 above.

6.7 Obsolescence of Common Elements. The Owners representing an aggregate ownership interest of at least 80 percent of the Units, including those not built or completed, may agree that the common elements are obsolete, and adopt a plan for their renewal and reconstruction, which plan must be approved by all first mortgagees. If a plan for renewal and reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be specially assessed against all of the Owners and their Units as a common expense in accordance with the plan for renewal and reconstruction, whether or not they have previously consented to the plan of renewal and reconstruction. The assessment provided for herein shall be a personal debt of each Owner and a lien on his Condominium Unit and may be enforced and collected by either of the methods provided in paragraphs 5.9, 5.11 and 6.5 above, and the Owner shall be required to pay to the Association all amounts provided for in said paragraphs. If the Association elects to sell the Condominium Unit, the proceeds shall be disbursed as set forth in paragraph 6.5 above.

Section 7. RIGHT TO ACQUIRE ADDITIONAL PROPERTY.

Association may acquire and hold for the benefit of all of the Unit Owners real and tangible and intangible personal property and may dispose of the same by sale or otherwise. The cost of any such property shall be borne by, and the beneficial interest in any such property shall be owned by, all of the Unit

Owners in the same proportions as their respective interests in the common elements, and such interest therein shall not be transferable except with a conveyance of a Condominium Unit as provided in this Section 7. The Unit Owners' interest in all general and limited common elements shall remain as it was before any additions of or to the general or limited common elements, and there shall be no change in voting power of any Owner in the Association. A conveyance of a Condominium Unit shall transfer to the grantee ownership of the grantor's beneficial interest in such additional real and personal property without any reference thereto.

Section 8. RESTRICTIVE COVENANTS AND OBLIGATIONS.

8.1 Residential Use; Structures. The Project is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. All buildings or structures erected upon the Property shall be of new construction, and no buildings or structures shall be moved from other locations onto the Property, and with the exception of buildings constructed as part of the general common elements, no buildings other than the Building and structures shown on the Plan shall be erected or constructed on the Property except as allowed by the Planned Unit Development ordinance governing the Project, and with the approval of Owners representing at least 75 per cent of the Units, whether or not built or completed. No structures of a temporary character, trailers, tents, shacks, or other outbuildings shall be used or permitted to be kept or stored on any portion of the Property at any time, either temporarily or permanently, except as provided in paragraph 8.2 hereof.

8.2 Construction and Sales Period Facilities. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant, its agents, employees and contractors to maintain during the period of construction and sale of the Condominium Units, upon such portion of the Property as Declarant may choose, such facilities and in such numbers, sizes, and locations and relocations as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of Condominium Units including, without limitation, a business office, management office, storage area, construction yards, signs, model units, sales office, construction office, parking areas and lighting. The construction and sale period shall terminate upon the sale of the last Condominium Unit by the Declarant.

8.3 Use of Property. No advertising signs (except after the termination of the construction and sale period, one "For Rent" or

"For Sale" sign per Unit of not more than 4.5 square feet shall be permitted temporarily for Units offered for sale or rent), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the Property, nor shall any part of the Project be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. During the construction and sale period, no "For Rent" or "For Sale" signs whatsoever shall be permitted on the Property without the express written approval of the Declarant. No business activities of any kind whatever shall be conducted in any building or on any portion of the Property except as provided in paragraph 8.2. The foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings and improvements, if any, of the Declarant, its agents, contractors and assigns during the construction and sale period, and of the Association, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

8.4 Rentals. No Unit shall be rented or leased for transient or hotel purposes (viz rental for any period less than 30 days, or any rental if occupants are provided customary hotel services). Subject to the foregoing, each Owner shall have the absolute right to lease his Unit, provided that the lease is in writing and is in all respects subject to the covenants, conditions, restrictions, limitations and uses provided in this Declaration and the Bylaws.

8.5 Exteriors. Except for those improvements erected or installed by Declarant, no exterior additions, alterations or decorating to any buildings, nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate costs of the same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures on the Property by the Association or by a representative designated by it.

8.6 Antennae. No exterior television, radio or microwave antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property, nor upon any structure situated upon the Property, other than an aerial for a master antenna system, or a television disc, should such system be utilized and require any exterior antenna, unless installed by the Association or written permission is obtained from the Association.

8.7 Parking. No vehicles shall be parked on Berry Street. All vehicles of Owners and residents shall be parked in

their garage or driveway. If the Owner or residents of any Unit own more than two vehicles and their driveway is not large enough to accommodate vehicle parking, not more than two of such extra vehicles may be parked in the nearest guest parking space.

**8.8 Trailers, Etc.** No trailers, detached campers, boats, junker cars, mobile homes, trucks, grading or excavating equipment or other heavy machinery shall be parked or stored on the Property unless parked or stored in a garage. No repairs of automobiles or other vehicle will be permitted outside the garages at any time.

**8.9 Nuisance.** No nuisance shall be allowed on the Property or within the Project, nor shall any use or practice be permitted which is a source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the Project by its residents. All parts of the Project shall be kept in a clean and sanitary condition, and unused building materials, junk, rubbish, refuse and garbage shall be regularly removed and shall not be allowed to accumulate, nor shall any fire hazard be permitted to exist. All refuse containers, wood piles, and storage piles shall be kept screened by adequate planting or fencing so as to substantially conceal them from view of neighboring residences and the street. Gardens are not permitted except in courtyards, specially designated and enclosed areas. No clothesline shall be permitted outside of any Unit at any time. No Unit Owner shall permit any use of his Unit or make any use of the common elements which will increase the rate of insurance upon the Project.

**8.10 Lawful Use.** No improper, offensive or unlawful use shall be permitted or made of the Project or any part thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

**8.11 Regulations.** Rules and regulations may be adopted by the Board of Directors concerning and governing the use of the general and limited common elements and the abatement of nuisance; provided, however, such rules and regulations shall be uniform and non-discriminatory. Copies of all such rules and regulations shall be furnished to Unit Owners prior to the time that they become effective.

**8.12 Animals.** No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on the Property or in the Project, except that only one dog, cat or other household pet maintained within a Unit may be kept, provided it is not kept, bred or maintained for commercial purposes. All pets shall be kept inside the premises or attended on a leash when outside. Owners shall be responsible for immediate cleanup of their animal's droppings in the common area and any damage caused to

the common elements by pets of residents and guests of their Unit, as provided in paragraph 5.2. The Association may require any owner who fails to abide by these rules to dispose of his pet. The Association may utilize injunctive relief for this purpose.

8.13 Variances. The Board of Directors of the Association shall be responsible for the enforcement of the provisions of this Section, and in a proper case may permit variances. Any variance or adjustment of the provisions of this Section 8 granted by the Board of Directors or any acquiescence or failure to enforce any violation of the conditions and restrictions of this Section 8 shall not be deemed to be a waiver of any of the conditions and restrictions hereof in the same or any other instance.

Section 9. GENERAL RESERVATIONS.

9.1 Declarant's Rights. Declarant reserves the right to establish easements, reservations, exceptions and exclusions consistent with the condominium ownership of the Project and for the best interest of all of the Unit Owners, including the Declarant, in order to serve the entire Project.

9.2 Control of Association. Notwithstanding any other provision expressly or impliedly to the contrary contained in the Declaration, the Articles of Incorporation or By-laws of the Association, Declarant reserves the right to control the Association until July 1, 1989, during which period the Declarant, or persons appointed by the Declarant, may appoint and remove the members of the executive board and the officers of the Association. Such right shall diminish and terminate at the times and in the manner provided by Sec. 76-861(d-g), R.R.S. 1943, as amended.

Section 10. MISCELLANEOUS PROVISIONS.

10.1 Registration of Mailing Address and Transfer of Ownership. Each Owner shall register his mailing address with the Association, and notices or demands required to be served upon an Owner shall be sent by mail, postage prepaid, addressed to the Owner at such registered mailing address. In the event of failure of an Owner to register his mailing address, notice may be served upon an Owner by leaving a copy thereof at his Unit. Upon sale or other transfer of his Condominium Unit, each Owner shall give notice to the Association of the name and address of his transferee, and the Association shall be justified in relying upon the latest information received by it with respect to any question involving the ownership of a Condominium Unit.

10.2 Period of Condominium Ownership. The separate condominium estates created by this Declaration and the Plan shall continue until this Declaration is revoked in the manner provided in paragraph 4.6.

10.3 Acceptance of Provisions of Documents. The conveyance or encumbrance of a Condominium Unit shall be deemed to include the acceptance of all of the provisions of this Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations, and the same shall be binding upon each grantee and encumbrancer without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

10.4 Parking Facilities. All streets and parking areas, whether or not appurtenant to Units, shall be under the control of the Association, and the Board of Directors may from time to time adopt rules and regulations governing the use thereof.

10.5 Assessment Reserves. The Association may require an Owner other than Declarant to deposit with the Association up to three times the amount of the estimated monthly common assessment, without interest, which sum shall be held by the Association as a reserve to be used for paying such Owner's monthly common assessment and for working capital. Such an advance payment shall not relieve an Owner from making the regular monthly payment of the monthly common assessment as the same comes due. Upon the sale of his Condominium Unit an Owner shall be entitled to a credit from his grantee for any unused portion thereof.

10.6 Mortgagee Protection Clause. No breach of any of the covenants, conditions and restrictions herein shall render invalid the lien of any first mortgage on any Unit made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Without the prior written approval of one hundred percent (100%) of the first mortgagees, based upon one (1) vote for each mortgage or deed of trust owned, neither this Master Deed nor the Bylaws of the Association shall be amended so as to:

- (a) Change the share of assessments charged to any Unit;
- (b) Terminate or abandon the common benefits conferred upon the Property by this Declaration except as provided in Section 6;



- (c) Allow partition or subdivision of any Unit without the prior written approval of the first mortgagee of such Unit;
- (d) Change the interest of any Unit in the allocation or distributions of hazard insurance proceeds or condemnation awards;
- (e) Permit the use of hazard insurance proceeds for losses or damages to any portion of the Project to be used for other than the repair, replacement or reconstruction thereof, except as provided by law, or to be deposited to the general funds of the Association;
- (f) Change the provisions of the Declaration and Bylaws so as to give any Owner or other party priority over any rights of mortgagees pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards or losses to or taking of the Units or the Property;
- (g) Materially change the Declaration or Bylaws or permit termination of professional management of the Project if professional management is required by Section 4.4 hereof.

In the event of eminent domain proceedings involving any Unit or any part of the common elements or substantial damage to or destruction of any Unit or any part of the common elements, first mortgagees of affected Units which are institutions shall be timely notified of such proceedings, damage or destruction. Notwithstanding any language contained in this Declaration to the contrary, no Owner and no other party shall have priority over any rights of mortgagees pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of the Units or any part of the Property.

Institutional lenders who are first mortgagees shall have the right (a) to examine the books and records of the Association during normal business hours; (b) upon written request to receive an annual financial statement of the Association within 90 days following the end of any fiscal year thereof; and (c) upon written request to receive written notice of meetings of the Association and be permitted to designate a representative to attend such meetings.

Section 11. GENERAL PROVISIONS.

11.1 Invalidity. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word,

or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

11.2 Interpretation. The provisions of this Declaration shall be in addition to and supplemental to the Uniform Condominium Act of the State of Nebraska and to all other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall include all genders.

11.3 Titles. Section and paragraph titles are for convenience of reference and are not intended to limit, enlarge or change the meaning hereof or affect the interpretation hereof.

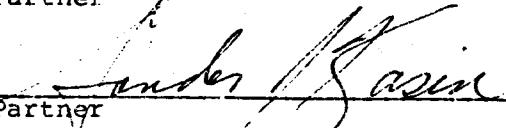
11.4 Exhibits. The exhibits listed below and attached hereto are hereby incorporated by reference as a part of this Master Deed:

- Exhibit "A" Statement of Basic Values of the Units and the Project
- Exhibit "B" The Plan
- Exhibit "C" Articles of Incorporation of Applewood Lane Townhomes Association, Inc.
- Exhibit "D" Bylaws of Applewood Lane Townhomes Association, Inc.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 10<sup>th</sup> day of October, 1984.

APPLEWOOD LANE DEVELOPMENT CO., a  
Nebraska Partnership

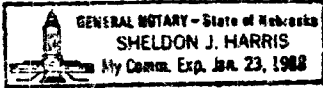
By:   
Partner

  
Partner

BOOK 1744 PAGE 381

STATE OF NEBRASKA     )  
                                  )  
County of Douglas     )     ss.

The foregoing instrument was acknowledged before me on  
                                  , 1984, by                                     
Partner, Applewood Lane Development Co.



                                    
Notary Public

EXHIBIT "A"

Statement of Basic Values of  
The Units and The Project

Each Unit in the Project shall be deemed to have the same value for the purpose of determining ownership in the common elements and for all other purposes which are relevant under the Declaration and the Unit Owners Association. Each of the units listed below shall have an undivided 1/52nd interest therein:

BUILDING NO./ UNIT NO.	BUILDING NO./ UNIT NO.
1-1	7-1
1-2	7-2
1-3	7-3
1-4	7-4
2-1	8-1
2-2	8-2
2-3	8-3
2-4	8-4
2-5	9-1
2-6	9-2
3-1	9-3
3-2	10-1
3-3	10-2
3-4	10-3
3-5	10-4
3-6	11-1
4-1	11-2
4-2	11-3
4-3	11-4
4-4	11-5
5-1	11-6
5-2	12-1
5-3	12-2
6-1	12-3
6-2	12-4
6-3	
6-4	

EXHIBIT "B"

LEGAL DESCRIPTION

A tract of land located in the Southwest Quarter of the Northeast Quarter (SW 1/4 NW 1/4) of Section 9 - Twp. 14 North - Range 12 East of the 6th P.M., Douglas County, Nebraska; more particularly described as follows:

Commencing at the Southwest corner of the Northeast 1/4 of said Section 9-14-12; thence S89°46'18"E along the South line of the Northeast 1/4 of said Section 9-14-12 a distance of 50.0 feet to a point on the East right-of-way line of 108th Street and the Point of Beginning; thence N80°00'25"W along said East right-of-way of 108th Street a distance of 289.98 feet; thence N90°08'00"E a distance of 152.0 feet; thence N76°32'10"E a distance of 112.98 feet to a point of curve; thence along a circular curve to the left having a radius of 297.48 feet and subtended by a chord bearing S82°37'29"E and a length of 486.33 feet; thence N42°30'55"E a distance of 116.90 feet to a point of curve; thence along a circular curve to the right having a radius of 175.6 feet and subtended by a chord bearing N75°59'45"E and a length of 192.55 feet to a point of reverse curve; thence along a circular curve to the left having a radius of 30.0 feet and subtended by a chord bearing N75°57'50"E and a length of 88.15 feet to a point of curve; thence along a circular curve to the left having a radius of 352.58 feet and subtended by a chord bearing S21°23'39"W and a length of 298.86 feet; thence S00°13'30"W a distance of 174.58 feet to a point on the South line of said Northwest 1/4 of Section 9-14-12; thence N89°46'18"W along said South line of the Northwest 1/4 of Section 9-14-12 a distance 1001.79 feet to the Point of Beginning.

Said tract of land contains 6.31 acres more or less.

NOTES:

Where Omaha Public Power District (Grantee) facilities are constructed, Grantee shall have the right to survey, construct, reconstruct, relocate, alter, inspect, repair, replace, add to, maintain and operate, at any time, service lines, poles, wires, cables, crossarms, guys and anchors and other instrumentalities for the carrying and transmission of electric current for light, heat and power, including all services of the Grantee to the residence on the above described real estate, over, upon, along, above, under, in and across a strip of land sixteen feet (16') in width, being Eight feet (8') on each side of the parallel to facilities as constructed by Grantee. Miscellaneous Book 705, Page 38.

CERTIFICATE

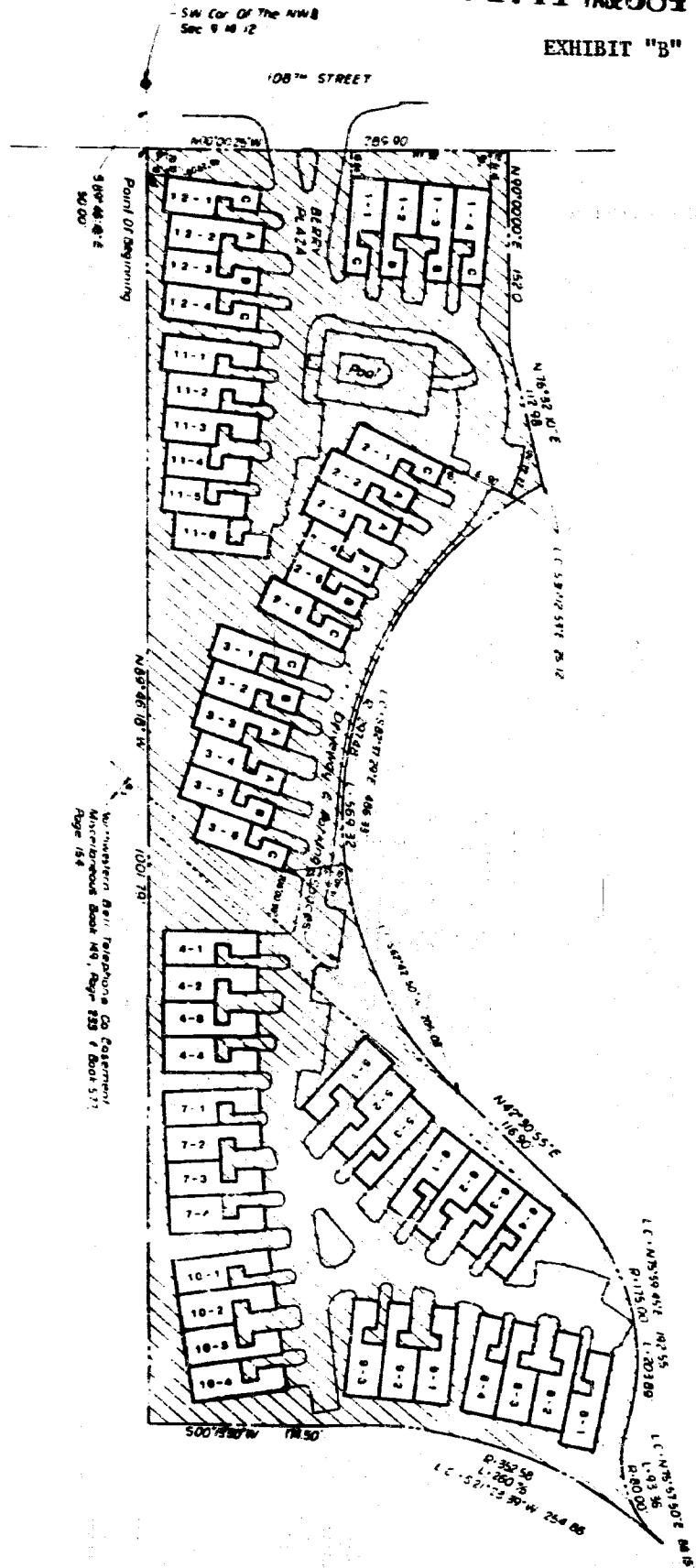
I, Gene L. Spence, an Engineer authorized and licensed to practice in the State of Nebraska hereby certify that this plan consisting of 1 page is a full and exact copy of the site plan of "Applwood Lane Townhomes" a condominium property regime.



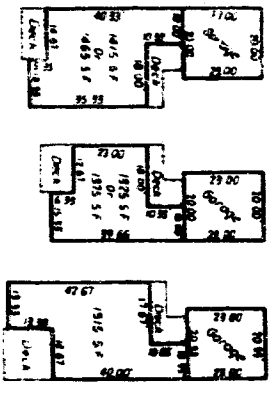
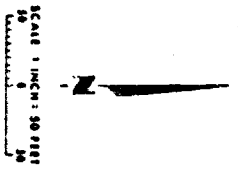
*Gene L. Spence*  
Gene L. Spence P.E. 3613 Nov 21, 1984 Date

BUILDING NO./ UNIT NO.	ADDRESS NO. (BERRY PLAZA)	BUILDING NO./ UNIT NO.	ADDRESS NO. (BERRY PLAZA)
1-1	10782	7-1	10731
1-2	10780	7-2	10729
1-3	10778	7-3	10727
1-4	10776	7-4	10725
2-1	10763	8-1	10705
2-2	10761	8-2	10705
2-3	10759	8-3	10707
2-4	10757	8-4	10709
2-5	10755		
2-6	10753	9-1	10711
		9-2	10713
3-1	10751	9-3	10715
3-2	10749		
3-3	10747	10-1	10723
3-4	10745	10-2	10721
3-5	10743	10-3	10719
3-6	10741	10-4	10717
4-1	10739	11-1	10777
4-2	10737	11-2	10775
4-3	10735	11-3	10773
4-4	10733	11-4	10771
		11-5	10769
5-1	10728	11-6	10767
5-2	10726		
5-3	10724	12-1	10785
		12-2	10783
6-1	10716	12-3	10781
6-2	10714	12-4	10779
6-3	10712		
6-4	10710		

EXHIBIT "B"



Western Bell Telephone Co. Government  
Miscellaneous Sheet No. 149, Page 225 & Book 571  
Page 154



UNIT 'A' UNIT 'B' UNIT 'C'

SEE ABOVE DRAWING FOR LOCATION OF UNIT TYPES



AR.1  
6.11.4  
pcd

BOOK 1744 PAGE 385

ARTICLES OF INCORPORATION

OF

APPLEWOOD LANE OWNERS ASSOCIATION, INC.

In compliance with the requirements of Article 8, Section 76-859 et seq., Revised Statutes of Nebraska, 1943, as amended, and pursuant to Sections 21-1901 through 21-1991, Revised Statutes of Nebraska, 1943, as amended, the undersigned, all of whom are residents of the State of Nebraska, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation non-profit and do hereby certify:

ARTICLE I

The name of the corporation is APPLEWOOD LANE OWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 10638 Old Mill Road, Omaha, Nebraska 68154.

ARTICLE III

Sheldon J. Harris, whose address is Suite 200, Westmark Plaza, 10707 Pacific Street, Omaha, Nebraska 68124, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit either to it or to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the dwellings, amenities and Common Area within Applewood Lane, a Condominium Development in th City of Omaha, Douglas County, Nebraska, as more fully described in Exhibit "A" attached hereto and incorporated herein by this reference; and to promote the health, safety, recreation, and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

EXHIBIT-C

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration Creating Apple Valley Townhomes, a Condominium, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Douglas County, Nebraska, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

B. Have all of the rights, powers and authority granted to Unit Homeowner's Association by Section 76-860 of the Revised Statutes 1943, as amended and as hereafter amended; fix, levy, collect and enforce the payment of all charges or assessments pursuant to the terms of the Declaration and the By Laws of this corporation; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

C. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;

D. Borrow money, and with the assent of at least two-thirds (2/3) of the Unit Owners, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

E. Dedicate, sell 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 Unit Owners, provided that no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of all Unit Owners, agreeing to such dedication, sale or transfer;

F. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common elements as provided by the Declaration and the Statutes of the State of Nebraska.

G. Have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Nebraska by law may have or hereafter have or exercise.



ARTICLE V  
MEMBERSHIP

The record owner of each Unit, whether or not constructed, in Apple Valley Townhomes, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include mortgagees, trustees holding deeds of trust, or other persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have only one class of voting membership. Each Unit Owner shall be entitled to one vote for each Unit for which he is the record title holder. The voting rights shall otherwise be governed by the provisions of the By Laws.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Five (5) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

Richard L. Goldman	10838 Old Mill Road
Sander J. Kasin	10838 Old Mill Road
George E. Wildrich, Jr.	10838 Old Mill Road
James E. Harris	10707 Pacific Omaha, Nebraska 68124
Sheldon J. Harris	10707 Pacific Omaha, Nebraska 68124

At the first annual meeting, the members shall elect three (3) directors for a term of two (2) years and two

ed  
;  
or  
he  
n  
e

l

;

(2) directors for a term of one (1) year; and at each annual meeting thereafter the members shall elect the number of directors required to replace the directors whose terms are expiring, such directors to be elected for a term of two (2) years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than Eighty Percent (80%) of the total Units, whether or not such units have been built or completed and all of the holders of recorded first mortgages covering or affecting any or all of the Units. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public body to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of Seventy-five Percent (75%) of the combined vote of the owners of all Units, whether or not such Units have been built or completed.

ARTICLE XI

The names and addresses of the incorporators are:

Sheldon J. Harris  
Suite 200, Westmark Plaza  
10707 Pacific Street  
Omaha, Nebraska 68124

Jacqueline Brock  
Suite 200, Westmark Plaza  
10707 Pacific Street  
Omaha, Nebraska 68124

BOOK 1744 PAGE 389

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Nebraska, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation, this 21 day of June, 1984.

Sheldon J. Harris

Jacqueline Brock  
Jacqueline Brock

EXHIBIT "D"  
To  
Declaration for  
APPLEWOOD LANE TOWNHOMES, A Condominium

BYLAWS  
OF  
APPLEWOOD LANE TOWNHOMES ASSOCIATION, INC.  
(A Non-profit Corporation)

Section 1. CORPORATION.

1.1 Association: Principal Office. The name of the corporation is Applewood Lane Townhomes Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located at 10838 Old Mill Road, Suite 3, Omaha, Nebraska 68154. The Association is a non-profit corporation organized under the provisions of Sections 21-1901 through 21-1991, Reissue Revised Statutes of Nebraska, 1943, as amended.

1.2 Purposes. The Association is the "Association" to which reference is made in the Declaration creating Applewood Lane Townhomes Association, Inc., a condominium of record, or which will be of record in the office of the Register of Deeds of Douglas County, Nebraska, relating to a residential community project (herein called the "Project") in the City of Omaha, Douglas County, Nebraska. The Association is organized to perform all obligations and duties of such Association and to exercise all rights and powers of such Association, specified herein as well as more fully set forth in the Articles of Incorporation of the Association and herein.

1.3 Application. All present and future Owners, mortgagees, lessees and occupants of Units and their employees and contractors, and each other person who may use in any manner the facilities of the Project or any property of the Association are subject to these Bylaws, the Declaration and the Rules and Regulations hereinafter referred to. The acceptance of a deed or conveyance or the entering into of a lease or the active occupancy of a Unit shall constitute an agreement by such persons with the Association that these Bylaws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

1.4 Definitions. Terms which are defined in the Declaration and/or the Articles of Incorporation shall have the same meanings herein unless otherwise defined.

Section 2. MEMBERSHIP, ADMINISTRATION AND MEETINGS OF MEMBERS.

2.1 Membership Appurtenant to Units. Membership in the Association and the share of a member in the assets of the Association are appurtenant to the Units, and the Declarant and the Owners of Units shall be members of the Association having the rights, privileges, duties and responsibilities set forth in the Declaration, the Articles of Incorporation and these Bylaws.

2.2 Transfer of Membership. A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Unit to which the membership pertains; provided, however, that the rights of membership may be assigned to a mortgagee of a Unit as further security for a loan secured by a lien on such Unit. A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as a member for all purposes until such time as evidence of a transfer of title, satisfactory to the Association, has been submitted to the Secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such notification of transfer. In the event of dispute as to membership appurtenant to any Unit, title to the Unit, as shown in the records of the Register of Deeds of Douglas County, Nebraska, shall be conclusive on all parties.

Section 3. ADMINISTRATION AND MEETINGS OF MEMBERS.

3.1 General. The members of the Association are responsible to administer the affairs of the Association through an Executive Board as herein provided. Notwithstanding any other provision herein, in the Articles of Incorporation or in the Declaration, however, Applewood Lane Development Co. (the "Declarant") shall have the right to exercise the rights, duties and functions of the Executive Board until the earlier of:

- (a) Sixty (60) days after conveyance of 90% of the Units which may be created to unit owners other than Declarant; or
- (b) Two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business.

3.2 Place of Meetings. Meetings of the Association shall be held at such place as the Executive Board may determine.

**3.3 Annual Meetings.** The first annual meeting of the members of the Association shall be held within 120 days after the Declarant has given notice that all Units have been sold, or on the second Monday in January, 1987, whichever shall first occur. Subsequent annual meetings shall be held annually thereafter. At such meeting the Executive Board shall be elected in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

**3.4 Special Meetings.** Special meetings of the members for any proper corporate purpose may be called by the President, a majority of the Executive Board, or upon petition signed by Owners holding at least 20% of the votes in the Association entitled to be cast by members. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting, except as stated in the notice, unless by consent of two-thirds of the votes entitled to be cast by members present, either in person or by proxy.

**3.5 Notice of Meetings.** The President or Secretary shall give or cause to be given written notice of each meeting by mailing or hand delivering such notice not less than ten (10) nor more than sixty (60) days prior to such meeting, to each member at the respective addresses of said members as they appear on the records of the Association. The notice shall specify the time and place of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By Laws, any budget changes, and any proposal to remove a director or officer.

**3.6 Quorum.** The presence, either in person or by proxy at the beginning of the meeting of persons entitled to cast 30% of the votes which may be cast for election of the Executive Board shall constitute a quorum for all purposes unless the representation of a larger number of votes shall be required by statute, and in that event representation of the number so required shall constitute a quorum.

**3.7 Adjournment of Meeting.** If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority in interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

3.8 Proxies. At all meetings of members, each member may vote in person or by proxy. A member may appoint any natural person as proxy, but no proxy may cast a vote for more than one Unit Owner besides himself. Should the terms of a mortgage so provide, the mortgagee may be appointed as proxy without regard to the limitations of this paragraph. All proxies shall be in writing and filed with the Secretary before the time of each meeting or upon the calling of the meeting to order. Every proxy shall be revocable and shall cease automatically upon conveyance of his Unit by a member.

3.9 Waiver of Notice. Any member at any time may waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a member in person at any meeting of the members shall be deemed such a waiver.

Section 4. EXECUTIVE BOARD.

4.1 Number and Qualification. The business, property and affairs of the Association shall be managed, controlled and conducted by an Executive Board consisting of three Directors. The number of Directors may be increased to not more than seven by amendment of this paragraph. Only members of the Association shall serve on the Executive Board after the first annual meeting of members.

4.2 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members. The Executive Board may delegate to the Manager, in the manner provided in the Declaration, all powers and duties of the Association except such as are specifically required by these Bylaws, the Articles of Incorporation or the Declaration to be done by the members or the Executive Board.

4.3 Nomination of Directors. Nominations for election of Director to the Executive Board to be elected at the first annual membership meeting following the relinquishment of control by the Declarant shall be made from the floor at said meeting. Thereafter, nominations shall be made by a Nominating Committee and may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman who shall be a member of the Executive Board, and two or more members of the Association who shall be appointed by the Executive Board prior to each annual membership meeting. The Nominating Committee so constituted shall serve from the close of such annual meeting until the close of the next annual meeting, and the appointment of the members thereof shall be announced at each annual meeting.

The nominating Committee shall make as many nominations for election to the Executive Board as it shall in its discretion determine, but not less than the number of vacancies to be filled.

4.4 Not later than sixty days after conveyance of 25% of the units which may be created to unit owners other than the Declarant, at least one member and not less than 25% of the members of the Executive Board shall be elected exclusively by unit owners other than the Declarant. Not later than 60 days after conveyance of 50% of the units which may be created to unit owners other than the Declarant, not less than 33 1/3% of the members of the Executive Board shall be elected exclusively by unit owners other than the Declarant.

4.5 Not later than the termination of any period of Declarant control, the unit owners shall elect an Executive Board of at least three (3) members, at least a majority of whom must be unit owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

4.6 Election and Term of Office. At the first annual meeting, there shall be elected the number of Directors provided in paragraph 4.1. The Directors shall be divided into three classes so that terms of one-third of the Directors shall expire in one year, the terms of one-third of the Directors shall expire in two years and the terms of the remaining Directors shall expire in three years. If one-third of the Directors is a number which includes a fraction, the fraction shall be dropped for purposes of computing how many Directors shall be elected. At each annual meeting thereafter a number of Directors equal to that of those whose terms have expired shall be elected for a term of three years. At the expiration of any term, any Director may be reelected.

4.7 Vacancies. Vacancies of the Executive Board caused by any reason shall be filled by vote of a majority of the remaining directors even though they may consist of less than a quorum and each person so elected shall be a Director until his successor is elected by the members at the next annual meeting.

4.8 Removal of Directors. After the Declarant has relinquished control of the Association, at any regular or special meeting of the members, any one or more of the Directors may be removed with or without cause at any time by the affirmative vote of a majority of all votes entitled to be cast by the entire membership of record, and a successor may then be elected by the members to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

4.9 Compensation. No compensation shall be paid to Directors for their services as Directors, and after relinquishment of control of the Association by the Declarant no compensation shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution



authorizing such compensation shall have been unanimously adopted by the Executive Board.

4.10 Organization Meeting. The first meeting of a newly elected Executive Board shall be held within ten days of its election at such time and place as shall be fixed at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

4.11 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each Director, personally or by mail, telephone or telegraph, at least three days prior to the day named for the meeting.

4.12 Special Meetings. Special meetings of the Executive Board may be called by the President or by two of the Directors on three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

4.13 Waiver of Notice. Before or at any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof, unless such attendance is for the express reason of objecting to the transaction of any business thereat because the meeting was not legally convened. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.14 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Executive Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Executive Board.

4.15 Adjournments. The Executive Board may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty days.

4.16 Fidelity Bonds. The Executive Board may request that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums for such bonds shall be paid by the Association as a common expense.

Section 5. OFFICERS.

5.1 Designation and Qualifications. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Executive Board. Any person may hold two offices, except that the President shall not also hold the office of Secretary. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary.

5.2 Election and Term of Office. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board, and each shall hold office for a period of one year, or until his or her successor is duly elected and qualified, unless he or she shall sooner resign, be removed, or otherwise be disqualified to serve.

5.3 Resignation and Removal. Any officer may resign at any time by giving written notice of said resignation to the Executive Board, the Secretary or the President. Any officer may be removed from office, with or without cause, upon an affirmative vote of a majority of the members of the Executive Board, and his or her successor elected at any regular meeting of the Board or at any special meeting called for that purpose. Any Director may be removed by the affirmative vote of at least two-thirds of the members voting at a duly called meeting of members, a quorum being present at the time of such vote.

5.4 Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer so appointed shall serve for the remainder of the term of the officer replaced.

5.5 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of a non-profit corporation, including, but not limited to, the power to appoint such committees from among the members from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association. The President and the Secretary may jointly prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

5.6 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall

appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

5.7 Secretary. The Secretary shall keep the minutes of all meetings of the members, shall have custody of the seal of the Association, shall have charge of the membership books and such other books and papers as the Board of Directors may direct and shall, in general, perform all the duties incident to the office of Secretary of a corporation.

5.8 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit all such funds as provided in Section 8 hereof, shall keep correct and complete books and records of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer, and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence, inability or failure to act.

5.9 Compensation. No compensation shall be paid to officers for their services as officers. After relinquishment of control of the Association by the Declarant, no compensation shall be paid to any officer for services performed by him for the Association in any capacity, unless a resolution authorizing such compensation shall have been unanimously adopted by the Board of Directors.

Section 6. ASSOCIATION SEAL.

The Board of Directors shall provide a suitable Association seal containing the name of the Association, which seal shall be in the custody and control of the Secretary. (The Association seal shall have inscribed thereon the name of the Association and the words "A Non-profit Nebraska Corporation" and the word "Seal". A duplicate seal may be kept and used by such officer or other person as the Executive Board shall determine.)

Section 7. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The Association shall indemnify every Director and officer, his or her heirs and personal representatives against all loss,

costs and expense, including counsel fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of being or having been a Director or officer of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Executive Board may determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Section 7 shall be deemed to obligate the Association to indemnify any member or Owner of a Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him or her under and by virtue of the Declaration as a member of the Association or Owner of a Unit.

Section 8. MISCELLANEOUS.

8.1 Contracts. The Executive Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

8.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

8.3 Checks, Drafts' Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Executive Board.

8.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of

the Association in such banks, trust companies or other depositaries as the Executive Board may select.

8.5 Inspection of Books. Financial reports, such as are required to be furnished, and the membership records of the Association shall be available at the principal offices of the Association for inspection at reasonable times by any members, or by any individual or entity holding a first mortgage on a Unit. Upon written request by an Owner or his agent, by a prospective buyer or by a mortgagee of a Unit, the Association shall furnish a written statement of the amount of any unpaid assessments, the amount of the current assessments, the date that assessments are due, the amount of any advance payments made, prepaid items such as insurance premiums and reserves therefor and deficiencies in reserve accounts. Such statements shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request is complied with within 15 days after receipt of written request therefor, all unpaid assessments which became due prior to the date of such request shall be subordinate to the rights of the person requesting such statement. A reasonable service fee may be charged for furnishing the statement of account.

8.6 Fiscal Year. The fiscal year of the Association shall be determined from time to time by resolution of the Executive Board.

8.7 Annual Assessments. The Executive Board shall fix, levy and collect assessments in the manner and for the purposes specified in the Declaration, and the owners shall pay assessments as therein provided.

8.8 Budget. At each annual meeting of the members of the Association the Executive Board or the Managing Agent shall present a proposed budget for the operation of the Association during the forthcoming year. Said budget shall include such items of expense as shall be determined from time to time by the Executive Board in accordance with the provisions of the Declaration.

8.9 Records and Audit. The Executive Board or the Manager shall keep detailed records of the actions of the Executive Board and the Manager, minutes of the meetings of the Executive Board, minutes of the meetings of members, 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 Unit which, among other things, shall contain the amount of each assessment of common expenses against such 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 rendered by the Board of Directors to all members at least semi-annually. In addition, an annual report of the receipts and expenditures of the corporation certified by an independent certified public accountant, shall be rendered by the Executive Board to all Unit Owners and to all mortgagees of Units who have requested the same, within ninety (90) days after the end of each calendar year.

**8.10 Notices.** All notices or demands intended to be served upon the Association, its Executive Board or Manager, whether pursuant to the Declaration or not, shall be sent by registered or certified mail, postage prepaid, to the following address: c/o Goldman-Kasin Company, 10838 Old Mill Road, Suite 3, Omaha, Nebraska 68154, unless and until this Bylaw is amended.

**8.11 Rules and Regulations.** Restrictions and requirements upon the use and maintenance of the Units and use of the general and limited common elements, which are intended to prevent unreasonable interference with the use and enjoyment of the Units and the common elements by the Unit Owners are set forth in the Rules and Regulations attached hereto as Exhibit "1". The Rules and Regulations may be amended from time to time by the Executive Board with approval of a majority of the votes entitled to be cast by members present or represented by proxy at any regular or special meeting thereof.

**8.12 No Restrictions on Resale.** There are no restrictions or requirements concerning the sale or lease of a Unit, nor are there any rights of first refusal on sale or other restraints on the free alienability of any Unit.

**8.13 Notice to First Mortgagee.** The holder of a first mortgage on any Unit shall be given notice of any change in the Bylaws, Articles of Incorporation or Declaration at least 30 days prior to the effective date of such change.

**8.14 Parliamentary Authority.** In all meetings of the Association, whether of the members or the Directors, "Roberts Rules of Order, Newly Revised" shall be the authority of parliamentary law, except when in conflict with the express provisions of the Declaration, the Articles of Incorporation or these Bylaws.

**Section 9.**

**AMENDMENT OF BYLAWS.**

**9.1 Amendment by the Members.** These Bylaws may be amended by the affirmative vote of a majority of the votes entitled to be

cast by members present or represented by proxy at any regular or special meeting. Amendments may be proposed by the Executive Board or by petition signed by members holding a majority of the votes entitled to be cast at any meeting. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon.

9.2 Amendment by Directors. The Executive Board may at any time propose an amendment to these Bylaws and shall notify all members thereof in writing, together with a statement of the purposes of the amendment and such other matters as the Executive Board deems material to the consideration of the amendment. Such amendment shall be deemed adopted and these Bylaws thereby amended unless members representing 25 percent of the votes of the Association have notified the Executive Board of their objection thereto in writing within 30 days after the date of such notice. In the event of such objection, the Executive Board may either abandon the proposed amendment or call a special meeting of the members for consideration thereof pursuant to paragraph 9.1 of these Bylaws.

9.3 Limitations. These Bylaws may not be amended insofar as such amendment would be inconsistent with any statutes, the Declaration or the Articles of Incorporation. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, the undersigned, constituting all of the Directors of the Executive Board, have hereunto set their hands this 10 day of Oct., 1984.

[Signature]  
[Signature]  
[Signature]

*18*  
*Recd.*

RECEIVED  
1984 NOV 28 AM 9:16

BOOK 1744  
PAGE 401  
NOV 28 1984  
21170  
Index  
Comped