

DECLARATION

Miracle Hills Park Place, a Condominium

ARTICLE I

SUBMISSION: DEFINED TERMS

Section 1.1 Declarant; Property; County; Name. Miracle Hills II, Inc., a Nebraska Corporation (hereinafter "Named Declarant"), hereby submits, subject to covenants, easements, and restrictions of record, the real estate described in Exhibit "A", including all easements, rights and appurtenances thereunto belonging and the building and improvements erected or to be erected thereon (hereinafter collectively "Property"), to the provisions of the Nebraska Condominium Act, Neb. Rev. Stat. §§76-825 to 76-894 (1984 Cum. Supp.) et seq (hereinafter the "Act"), to be known as "Miracle Hills Park Place, a Condominium" (hereinafter the "Condominium").

Section 1.2. Defined Terms.

1.2.1 Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.2.2 The following terms are used or defined in general terms in the Act and shall have specific meanings herein as follows:

a. "Association" means the Unit Owners' Association of the Condominium created pursuant to Section 76-859.

b. "Buildings" means the structures known as "Miracle Hills Park Place, a Condominium".

c. "Bylaws" means the document having that name and provided for by Section 76-860 of the Act, as such document may be amended from time to time.

d. "Declarant" means the Named Declarant except that any successor to such Named Declarant as to Special Declarant Rights shall as to such Special Declarant Rights be the "Declarant".

e. "Declarant Control Period" means the time period commencing on the date of recordation of this Declaration and ending on the earlier of:

(i) Sixty (60) days after conveyance of ninety percent (90%) of the Units which may be created to Unit Owners other than the Declarant; or

(ii) Two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business.

f. "Declaration" means this document and the attached Plats and Plans, as the same may be amended from time to time.

g. "Executive Board" means the Executive Board of the Association.

h. "Horizontal Boundaries" means the upper and lower boundaries of a Unit.

i. "Limited Common Elements" means those portions of the Common Elements designated herein or on the Plats and Plans as being Limited Common Elements.

j. "Plats and Plans" means the Plats and Plans of "Miracle Hills Park Place, a Condominium" being recorded pursuant to the Act simultaneously with this document and constituting a part of the Declaration, as the same may be amended from time to time.

k. "Rules and Regulations" means such rules and regulations as are promulgated by the Executive Board from time to time with respect to various details of the use of all or any portion of the property which either supplement or elaborate upon the provisions in the Declaration or the Bylaws.

l. "Unit" means a Unit as described in this document and in the Plats and Plans.

m. "Special Declarant Rights" means Special Declarant Rights as defined in Section 76-827(23) of the Act.

n. "Withdrawable Real Estate" means the real estate described on Exhibit C.

1.2.3 The following terms when used herein shall have the meanings set forth below:

a. "Condominium Documents" consist of this Declaration including the Plats and Plans, the Bylaws, and the Rules and Regulations.

b. "Eligible Mortgage" means any of the following:  
(i) any first mortgage; (ii) any junior mortgage which is to the Declarant, or to the Seller of a Unit, or is approved by the Executive Board as an Eligible Mortgage. A holder, insurer or governmental guarantor of an Eligible Mortgage is referred to herein as an "Eligible Mortgagee". The term mortgage as used herein shall include deeds of trust.

c. "Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit as set forth in Exhibit "B" attached hereto, as the same may be amended from time to time.

d. "First Transition Election": means the election at which one (1) additional member shall be elected to the Executive Board exclusively by Unit Owners other than the Declarant. Such election shall take place within sixty (60) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Declarant.

e. "Second Transition Election": means the election at which one (1) additional member shall be elected to the Executive Board exclusively by Unit Owners other than the Declarant. Such election shall take place within sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than the Declarant.

Section 1.3. Provisions of the Act. The provisions of the Act and those amendments thereto which by their terms would be applicable to this Condominium shall apply to and govern the operation of the Condominium, except to the extent that contrary provisions, not prohibited by the Act as so amended, are contained in this Declaration (including the Plats and Plans) or the Bylaws.

ARTICLE II  
ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON  
EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES;  
MAINTENANCE RESPONSIBILITIES

Section 2.1. Percentage Interests. Attached to this document as Exhibit "B" is a list of all Units by their Identifying Numbers and the Percentage Interest appurtenant to each Unit, as determined on the basis of the total number of Units, by dividing 100% by the total number of Units. The Percentage Interests as so computed have been rounded out to four (4) significant figures so that the sum of the Percentage Interests of all Units shall equal as nearly one hundred percent (100%) as is practicable. In the event additional Units are created pursuant to Special Declarant Rights reserved in this Declaration then the Percentage Interest of all Units shall be recalculated pursuant to the formula contained in this Section 2.1. The Common Expense Liability of each Unit shall be assessed in accordance with each Unit's Percentage Interest.

Section 2.2. Unit Boundaries.

a. The title lines or boundaries of each Unit are situated as shown on the Plats and Plans and shall consist of:

(i) Horizontal Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

A. Upper Boundary: Upper Boundary of a basement, first or second floor Unit is the horizontal plane of the bottom surface of the floor joist above each Unit. The upper boundary of a third floor Unit or a garage is the horizontal plane of the bottom surface of the attic floor joists above each Unit.

B. Lower Boundary: The lower boundary of a basement Unit or a garage is the top surface of the unfinished concrete floor slab below the basement Unit or garage. The lower boundary of any other Unit is the horizontal plane of the top surface of the floor joists below the Unit.

(ii) Vertical Boundaries: The vertical boundaries of a Unit or garage are the vertical planes, extended to intersections with each other and with the Unit's upper and lower boundaries, of the inner surface of any stone, block, brick or other masonry walls bounding the Unit and, with respect to those walls bounding the Unit which are not of stone, block, brick or other masonry, the vertical boundaries shall be the interior surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit.

b. The Unit shall include the exhaust fan, heating, hot water and air conditioning apparatus exclusively serving the Unit whether or not located within the title lines or boundaries of the Unit.

c. Subject to the provisions of paragraph (b) above, if any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

d. Subject to the provisions of paragraph (c) above, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

e. Subject to the provisions of paragraph (b) above, any shutters, awnings, window boxes, doorsteps, stoops, porches and all exterior doors and windows, or other fixtures designed to



serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

Section 2.3. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the provisions of Section 2.2 above, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 76-865 of the Act, except as expressly set forth to the contrary in this Section 2.3. All Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element, other than a balcony Limited Common Element, shall be assessed against the Units to which such Limited Common Element was assigned at the time the expense was incurred in the same proportion as the Percentage Interests of all such Units. Maintenance, repairs and replacements of balcony Limited Common Elements shall be the responsibility of the Association, the costs to be charged as Common Expenses.

Section 2.4. Allocation of Unit Owner's Voting Rights. Each Unit shall be entitled to one (1) vote in the Association. In the event additional Units are created pursuant to Special Declarant Rights reserved in this Declaration each new Unit shall have one (1) vote in the Association.

ARTICLE III  
DESCRIPTION, ALLOCATION AND RESTRICTION OF COMMON ELEMENTS,  
LIMITED COMMON ELEMENTS AND RESERVED COMMON ELEMENTS

Section 3.1. Limited Common Elements.

3.1.1. The following portions of the Building are hereby designated as Limited Common Elements:

- a. Balconies;
- b. Doors leading from Units to balconies, and their related frames, sills and hardware;
- c. Doors leading from Units to Common Elements, and their related frames, sills, and hardware; and
- d. Windows and doors and their related frames, sills, and hardware which are not part of the Unit but which are adjacent to and serve only such Unit;
- e. Garage doors and their related frames, sills, and hardware;
- f. Those Limited Common Elements described as such in Sections 2.2c and 2.2e above.

3.1.2. The exclusive use of balconies by a Unit Owner to which it is assigned, shall be limited to lawful uses normally

associated with balconies serving residential apartments. The Executive Board shall have the right to promulgate Rules and Regulations regarding the use of the balconies that are consistent with the provisions of the immediately preceding sentence, and in any event no decoration or other surface finish or covering of any portion of any Limited Common Element may be performed without the prior written consent of the Executive Board.

ARTICLE IV  
EASEMENTS

Section 4.1. Additional Easements. In addition to and in supplementation of the easements provided for by Sections 76-851, 76-852, and 76-853 and other provisions of the Act, the Condominium shall be subject to the following easements and restrictions:

4.1.1. Declarant's Use for Sales Purposes.

a. Declarant shall have an easement to maintain sales offices, management offices, and models throughout the Property and to maintain one or more advertising signs on the Common Elements while the Declarant is selling Units in the Condominium. Declarant reserves the right to place models, management offices and sales offices in any Units owned by Declarant and on any portion of the Common Elements in such number of such size and in such locations as Declarant deems appropriate. The models, management offices and sales offices constituting a portion of the Common Elements shall be subject to the following requirements:

(i) The number of models maintained by the Declarant within the Common Elements shall not exceed four (4). The size of each model shall not exceed the size of the comparable Unit.

(ii) In addition to the models maintained by the Declarant on the Common Elements, Declarant shall have the right to maintain within the Common Elements not more than three (3) offices for sales and management purposes. Each such sales or management office may not exceed the size of the largest Unit.

b. Declarant may from time to time relocate models, management offices and sales offices to different locations within the Property. Upon the relocation of a model, management office or sales office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Elements, and any personal property not so removed shall be deemed the property of the Association.

c. So long as Declarant shall be selling Units in the Condominium, Declarant shall have the right to restrict the use of the Common Element parking spaces marked on the Plats and Plans as "Parking Spaces Which Declarant May Use For Sales Purposes". Such use shall include reserving such spaces for use by prospective Unit purchasers, Declarant's employees and others engaged in sales, maintenance, construction or management activities.

4.1.2. Utility and Other Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment, including security systems, as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section 4.1.2. shall include, without limitation, rights of Declarant, the Association, any providing utility, any service company, and any governmental agency or authority and any of them, to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), security systems, electrical wires, conduits and equipment, ducts, chimneys, flues, vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 4.1.2., unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

4.1.3. Declarant's Easements.

a. Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner and the Association) to use portions of the Common Elements and any Units owned by Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures and the performance of work respecting the Property.

b. Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner and the Association) on, over and under those portions of the Common Elements not located within the Building for the purpose of maintaining and correcting drainage of surface, roof

or storm water. The easement created by this Section 4.1.3b expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary, following which the Declarant shall restore the affected property as closely to its original condition as practicable.

c. During the Declarant Control Period and for a period of two (2) years thereafter, the Declarant shall have an easement through the Units for any access necessary to complete any renovations or modifications to be performed by Declarant.

4.1.4. Easement for Ingress and Egress Through Common Elements, Access to Units and Support.

a. Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

b. To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building, the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building, the Common Elements and the Limited Common Elements.

4.1.5. Common Elements in Favor of the Association. The Common Elements (including, but not limited to, the Limited Common Elements) shall be and are hereby made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements (including, but not limited to, the Limited Common Elements).

4.1.6. Common Elements Easement in Favor of Unit Owners.

The Common Elements (including, but not limited to, the Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Unit Benefitted:

a. For the installation, repair, maintenance, use removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements.

b. For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

c. For driving and removing nails, screws, bolts and other attachment devices into the Unit side surface of the stone, block, brick or other masonry walls bounding the Unit and the Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of floor joists above the Unit and the top surface of the floor joists below the Unit to the extent the nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

d. For the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grills and similar fixtures which serve only one Unit but which encroach into any part of any Common Elements or Limited Common Elements on the date this Declaration is recorded or was thereafter installed by Declarant during the Declarant Control Period or within two (2) years after the termination thereof.

4.1.7. Units and Limited Common Elements Easement in Favor of Association. The Units and the Limited Common Elements are hereby made subject to the following easements in favor of the Association and its agents, employees and independent contractors:

a. For inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible;

b. For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements, or both;

c. For correction of emergency conditions in one or more Units or Limited Common Elements, or both, or casualties to the Common Elements, the Limited Common Elements and/or the Units.

ARTICLE V  
AMENDMENT OF DECLARATION

Section 5.1. Amendment Generally.

a. This Declaration may be amended only in accordance with the procedures specified in Section 76-854 of the Act or referred to in Section 76-854 thereof and the express provisions of this Declaration.

b. No amendment shall be made to this Declaration during the Declarant Control Period without the written consent of the Declarant. No amendment to this Declaration shall diminish or impair the rights of Declarant under this Declaration without the prior written consent of the Declarant. No amendment may modify this Article or the rights of any person under this Article. Except as specifically provided in this Declaration or the Act, no provision of this Declaration shall be construed to grant to any Unit Owner, or to any other Person, any priority over any rights of Mortgagees.

ARTICLE VI  
USE RESTRICTIONS

Section 6.1. Rules and Regulations.

a. The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

(i) The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as sample, model, management or sales offices) are restricted to single family residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

(ii) A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction, or repair to his Unit or Units which will impair the structural integrity of the Building or any mechanical or electrical system therein; or adversely affect either the thermal or acoustical character of the building; or lessen the support of any portion of the Building; or violate any applicable law, ordinance or governmental rule, regulation or order.

b. Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association

to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereof shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

ARTICLE VII  
MORTGAGES

Section 7.1. Requirements.

a. Any mortgage or other lien on a Unit and the obligations secured thereby shall be deemed to provide, generally, that the mortgage or other lien instrument and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the mortgagee or lien holder shall have no right (i) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (ii) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceeds to Unit Owners pursuant to Section 76-871 of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the owner of the Unit encumbered by such mortgage; or (iii) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination of the Condominium or determination not to restore or replace the affected Unit.

(i) Nothing contained in Section 7.1(a) hereinabove or elsewhere in this Declaration shall give a Unit Owner, or any other party, priority over any rights of the mortgagee of a Unit pursuant to its mortgage in case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

b. No Unit Owner or purchaser of a Unit shall deliver any mortgage or other lien instrument secured by a Unit, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed mortgagee or lien holder, the amount of the debt proposed to be so secured, and has submitted to the Executive Board a copy of the form of the proposed mortgage and note or other instrument of obligation. When a mortgage other than (i) a first mortgage or (ii) a junior mortgage to the Declarant or Seller of a Unit is delivered to the Executive Board, the Executive Board shall promptly notify the proposed mortgagee whether

such mortgage has been approved by the Executive Board as an Eligible Mortgage.

Section 7.2. Eligible Mortgagees.

a. When an Eligible Mortgage is delivered to the Eligible Mortgagee or other lien holder, the Unit Owner shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of such copy of an Eligible Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Eligible Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Eligible Mortgagee with a Certificate of Insurance showing that the Eligible Mortgagee's name has been so added.

b. The Secretary shall maintain a register of Eligible Mortgages, showing the names and addresses of the Eligible Mortgagees, the amount secured by each Eligible Mortgage, and whether it is a first Mortgage.

Section 7.3. Rights of Eligible Mortgagees.

7.3.1. Upon the specific written request of a holder of an Eligible Mortgage on a Unit or its servicer to the Executive Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

a. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the mortgage;

b. Any audited or unaudited financial statements of the Executive Board which are prepared for the Executive Board and distributed to the Unit Owners. The holder of any mortgage on a Unit shall be entitled to have an audited statement prepared at its own expense if one is not otherwise available;

c. Copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative;

d. Notice of substantial damage to or destruction of any Unit (in excess of \$1,000) or any part of the Common Elements (in excess of \$10,000);

e. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

f. Notice of any default of the owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving



of notice by the Association to the Unit Owner of the existence of the default;

g. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

h. Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property;

i. Any condemnation or casualty loss that affects either a material part of the Condominium or the Unit securing the Mortgagee's mortgage;

j. Such other financial data as such Eligible Mortgagee shall reasonably request; or

k. Any proposed action which would require the consent of a specified percentage of first mortgagees as set forth in Section 7.4. below.

7.3.2. The request of an Eligible Mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made hereunder by an Eligible Mortgagee. The Executive Board may refuse to honor any request where, after reasonable inquiry, it shall determine that the person making such request is not entitled to the material so requested and may establish reasonable rules to implement this Section 7.3.2.

7.3.3. Failure to comply with the requirements set forth above shall in no way invalidate the otherwise proper actions of the Association and the Executive Board.

7.3.4. Any Eligible Mortgagee shall have the right, exercisable upon written request to the Executive Board, to examine the books and records of the Association at any reasonable time.

Section 7.4. Approval of Mortgagees. Subject to the limitations imposed by Section 76-856 of the Act:

a. The prior written approval of holders of first mortgages of Units representing at least sixty-seven percent (67%) of the votes of Units subject to first mortgages shall be required to terminate the condominium status of the Property for reasons other than substantial destruction or condemnation of the Property;

b. The prior written approval of at least two thirds (2/3) of the holders of first mortgages on Units (based upon one

vote for each first mortgage owned) shall be required for any of the following:

(i) The termination or abandonment of the condominium status of the Property except for termination or abandonment as a result of condemnation or substantial loss to the Units and/or Common Elements;

(ii) A change in the schedule of Percentage Interests set forth in Exhibit "B" allocated to each Unit;

(iii) The partition or subdivision of any Unit, or the Common Elements;

(iv) the abandoning, encumbering, selling or transferring of the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended uses of the Common Elements shall not be deemed a transfer within the meaning of this subsection);

(v) the use of hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium Property;

c. The prior written approval of holders of first mortgages of Units representing at least fifty-one percent (51%) of the votes of Units subject to first mortgages shall be required to make an amendment of a material nature to the Condominium Documents. A change of the provisions of any Condominium Document directly relating to any of the following shall for this purpose be considered material:

(a) Voting rights;

(b) Assessments, assessment liens or subordination of assessment liens;

(c) Reserves for maintenance, repair and replacement of the Common Elements;

(d) Responsibility for maintenance and repairs;

(e) Reallocation of interests in the General or Limited Common Elements or rights to their use;

(f) Boundaries of any Unit;

(g) Convertibility of Units into Common Elements or of Common Elements into Units;

(h) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;

(i) Insurance or fidelity bonds;

(j) Leasing of Units;

(k) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

(l) A decision by the Association to establish self-management any professional management had been required previously by an Eligible Mortgagee;

(m) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(n) Actions to terminate the legal status of the project after substantial destruction or condemnation occurs;

(o) Provisions that expressly benefit holders, insurers or guarantors of Eligible Mortgages.

d. Notwithstanding anything to the contrary in this Section 7.4., written approval of holders of first mortgages on Units shall not be required for an amendment to this Declaration made pursuant to Article 10 hereof.

ARTICLE VIII  
LEASING

Section 8.1. Restrictions.

8.1.1. A Unit Owner may lease his Unit (but not less than his entire Unit) at any time and from time to time provided that:

a. No Unit may be leased for transient or hotel purposes or for an initial term of less than ninety (90) days;

b. No Unit may be leased or subleased without a written lease or sublease;

c. A copy of such lease or sublease shall be furnished to the Executive Board within ten (10) days after execution thereof; and

d. The rights of any lessee of the Unit shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations and a default thereunder shall constitute a default under the lease or sublease; provided,

however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments or special assessments on behalf of the owner of that Unit.

8.1.2. Notwithstanding the foregoing, the provisions of Section 8.1.1. shall not apply to a holder of a first mortgage who is in possession of a Unit following a default in such mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

#### ARTICLE IX

#### BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 9.1. Monthly Payments. The Executive Board shall levy and enforce the collection of general and special assessments for Common Expenses. Assessments shall commence upon the conveyance of the first Unit to a Person other than the Declarant. All Common Expense annual assessments shall be due and payable in equal monthly installments, in advance, on the first day of each month. Special assessments shall be due and payable in equal monthly installments, in advance, on the first day of each month, during such period of time as established by the Executive Board. Assessments, other than special assessments, shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments.

Section 9.2. Subordination of Certain Charges. Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 76-860(a)(10), 76-860(a)(11), and 76-860(a)(12) of the Act, shall be subordinate to the lien of a first mortgage on a Unit.

Section 9.3. Surplus Funds. Surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves may in the discretion of the Executive Board either be returned to the Unit Owners pro rata in accordance with each Unit Owner's Percentage Interest or be so credited on a pro rata basis to the Unit Owners to reduce each Unit Owner's future Common Expenses assessments.

#### ARTICLE X

#### DECLARANT'S RIGHTS

#### Section 10.1. Declarant Control of The Association.

10.1.1. The Declarant may, at its option, control the Association during the Declarant Control Period.

10.1.2. During the Declarant Control Period the Declarant may appoint and remove the officers and members of the

Executive Board except as otherwise provided in Section 76-861, of the Act or Section 10.1.3. below.

10.1.3. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Declarant, the First Transition Election shall be held at which time one (1) additional member shall be elected to the Executive Board by Unit Owners other than the Declarant who shall not be subject to removal by the Declarant.

10.1.4. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than Declarant, the Second Transition Election shall be held at which time one (1) additional member shall be elected to the Executive Board by Unit Owners other than the Declarant who shall not be subject to removal by the Declarant.

10.2. Declarant Development Rights. Declarant reserves the right to create additional Units on the real estate described in Exhibit A at any time, at different times, in any order, without limitation; provided, however, that the total number of additional units constructed on the real estate described in Exhibit A shall not exceed 112. Declarant reserves the right to create Common Elements and Limited Common Elements in connection with creation of additional Units. In the event additional Units are created, Declarant will endeavor to make such buildings aesthetically compatible and of comparable quality with the building and other improvements initially constituting the Condominium.

10.3. Declarant Right to Withdraw Real Estate. Declarant reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation, and without the consent of any Unit Owner, Mortgagee, Trustee, or Beneficiary under a Deed of Trust; provided, however, that the withdrawable land shall not exceed the area described on Exhibit "C" hereto. The right to withdraw real estate may be terminated by the Declarant upon the recordation by Declarant of an amendment to this Declaration executed and acknowledged by the Declarant indicating such election to terminate.

10.4. Declarant Right to Add Real Estate. Declarant reserves the right to expand the Condominium from time to time without the consent of any Unit Owner or any holder of any Mortgagee, or Trustee, or Beneficiary under a Deed of Trust. The right to expand may be terminated by the Declarant upon the recordation by Declarant of an amendment to this Declaration executed and acknowledged by the Declarant indicating such election to terminate. The Declarant reserves the right to add part or all of Lot 22, Miracle Hills Park, a subdivision in Douglas County, Nebraska to the Condominium at any time within seven (7) years from the date this Declaration is recorded.

Declarant reserves the right to build buildings, make other improvements on such additional land and to create Common Elements and Limited Common Elements thereon; provided, however, Declarant may create a maximum of 124 Units upon the added real estate. In the event improvements are constructed on such additional land, Declarant will endeavor to make such buildings aesthetically compatible with the Building and the other improvements initially constituting the Condominium.

**10.5 Exercise of Development Rights.** Any Development Right exercised pursuant to Sections 10.2, 10.3 or 10.4, above, shall be affected by the Declarant by the recordation with the Register of Deeds of Douglas County, Nebraska, of an Amendment to this Declaration executed and acknowledged by the Declarant which shall, among other things (i) identify the land and other improvements which are being added to or created in the Condominium, (ii) identify the nature, size and location of any improvements to be constructed on such land, and (iii) reallocate among the Unit Owners and those units to be constructed the percentage of interest in the Common Elements and corresponding costs and expenses of the Condominium as initially constituted and as expanded; such reallocation shall be computed as though the additional Units had been included as a part of the Condominium as initially constituted.

Upon recordation of such Amendment, each Unit of the Condominium, as initially constituted and as expanded, shall have the percentage of interest in all Common Elements of the Condominium, as initially constituted and as expanded, as expressed in such Amendment.

Concurrently, with the recordation of such Amendment, if any, reference in this Declaration to Condominium shall include and refer to all expansion areas and the Bylaws of the Condominium and its Rules and Regulations shall apply with equal force to the Condominium as initially constituted and as expanded without the need of any further affirmative action.

All deeds of conveyance to any unit within the Condominium, as initially constituted and or expanded, shall contain a provision that the percentage in interest in the Common Elements appurtenant to any such Unit shall be automatically reallocated upon the recordation of an Amendment expanding the Condominium as provided in this Section.

The Declarant reserves the irrevocable right to reallocate the percentage of interest appurtenant to each of the Units in the Condominium in accordance with the provisions of this Declaration and to execute, acknowledge, and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Section 10.4. Each Owner and each holder of a mortgage of a Unit in the Condominium, as initially constituted and as expanded, shall be deemed to have acquiesced in the Amendments to this Declaration for the purpose



of adding additional Condominium Units and Common Elements to the Condominium in the manner described in this Section.

ARTICLE XI  
UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN

Section 11.1. Applicability of Condominium Documents. Each present and future owner, lessee, occupant and mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, this Declaration (including the Plats and Plans), the Bylaws and the Rules and Regulations and with the covenants, conditions and restrictions as set forth in this Declaration (including the Plats and Plans), the Bylaws, the Rules and Regulations and the deed to such Unit; provided that nothing contained herein shall impose upon any lessee or mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of the Act, this Declaration (including the Plats and Plans), the Bylaws, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, mortgagee or lessee insofar as applicable. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 11.2. Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, the Association shall represent the Unit Owners in negotiations, settlements and agreements with the condemning authority. Each Unit Owner appoints the Association as Attorney-in-Fact for this purpose. Each Unit Owner shall be entitled to notice thereof, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. The award or proceeds of settlement shall be payable to the Association for the use and benefit of the Unit Owners and their mortgagees as their interests may appear.

ARTICLE XII  
EXECUTIVE BOARD OF THE ASSOCIATION

Section 12.1. Powers of Executive Board. The Executive Board of the Association shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 12.2. Composition of Executive Board. The Executive Board shall consist of five (5) members who shall be elected

at Annual Meetings of Association members except that until the First Transition Election there shall be only three (3) members of the Executive Board, which three (3) members and any successors to such three (3) members shall be appointed by the Declarant until the end of the Declarant Control Period. One (1) additional Executive Board member shall be elected at the First Transition Election. One (1) additional Executive Board member shall be elected at the Second Transition Election. At such Transition Elections all Unit Owners other than the Declarant shall have the right to vote for the additional Executive Board members. During the Declarant Control Period successors to the two (2) additional members of the Executive Board shall be elected by the vote only of Unit Owners other than the Declarant. Each Executive Board member shall hold office pursuant to the provisions relating thereto in the Bylaws.

Section 12.3. Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration (including the Plats and Plans), the Bylaws or the Rules and Regulations, the ultimate determination with respect thereto by the Executive Board following an appeal to such Executive Board from the association body making a determination in the first instance shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section 12.3. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 12.4. Amendments to the Condominium Documents. The Condominium Documents may be amended only in accordance with the Act and the Condominium Documents. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, guarantors, or insurers with respect to condominium projects, then at any time and from time to time, the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 12.4. shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been



executed and acknowledged by one or more officers of the Executive Board.

Section 12.5. Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Condominium Act by any Unit Owner, shall give the Executive Board and any aggrieved Unit Owner the right, in addition to any other rights to which it may be entitled, to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 12.6. Insurance. The Executive Board shall obtain and maintain insurance as provided in the Bylaws.

IN WITNESS WHEREOF, Miracle Hills II, a Nebraska Partnership, has caused these presented to be executed the day and year first above written.

MIRACLE HILLS II, INC., A Nebraska Corporation

BY: *Michael L. Day*  
Michael L. Day, President

STATE OF NEBRASKA )  
  ) ss.  
COUNTY OF DOUGLAS )

On this 18th day of November, 1985, before me, a Notary Public duly commissioned and qualified in and for said County, personally came Michael L. Day, President of Miracle Hills II, Inc., a Nebraska corporation, known to me to be the identical person who signed the above instrument and acknowledged the execution thereof to be his own act and deed, and the act and deed of the corporation.

Witness me hand and notarial seal the day and year last above written.

*Terry L. Maxwell*  
Notary Public



ATTACHMENTS

- EXHIBIT "A" -- Description of submitted real estate
- EXHIBIT "B" -- List of Units, Identifying Number,  
and Percentage Interest
- EXHIBIT "C" -- Withdrawable Real Estate
- EXHIBIT "D" -- By-Laws

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EXHIBIT "A"

SUBMITTED REAL ESTATE

Lot 21, Miracle Hills Park, as platted and recorded in  
Douglas County, Nebraska.

EXHIBIT "B"

<u>Unit Number</u>	<u>PERCENTAGE INTEREST OF UNIT OWNER</u>
1	4.54690
2	4.54690
3	4.54690
4	4.54690
5	4.54690
6	4.54690
7	4.54690
8	4.54690
9	4.54690
10	4.54690
11	4.54690
12	4.54690
13	4.54690
14	4.54690
15	4.54690
16	4.54690
17	4.54690
18	4.54690
19	4.54690
20	4.54690
21	4.54690
22	4.54690

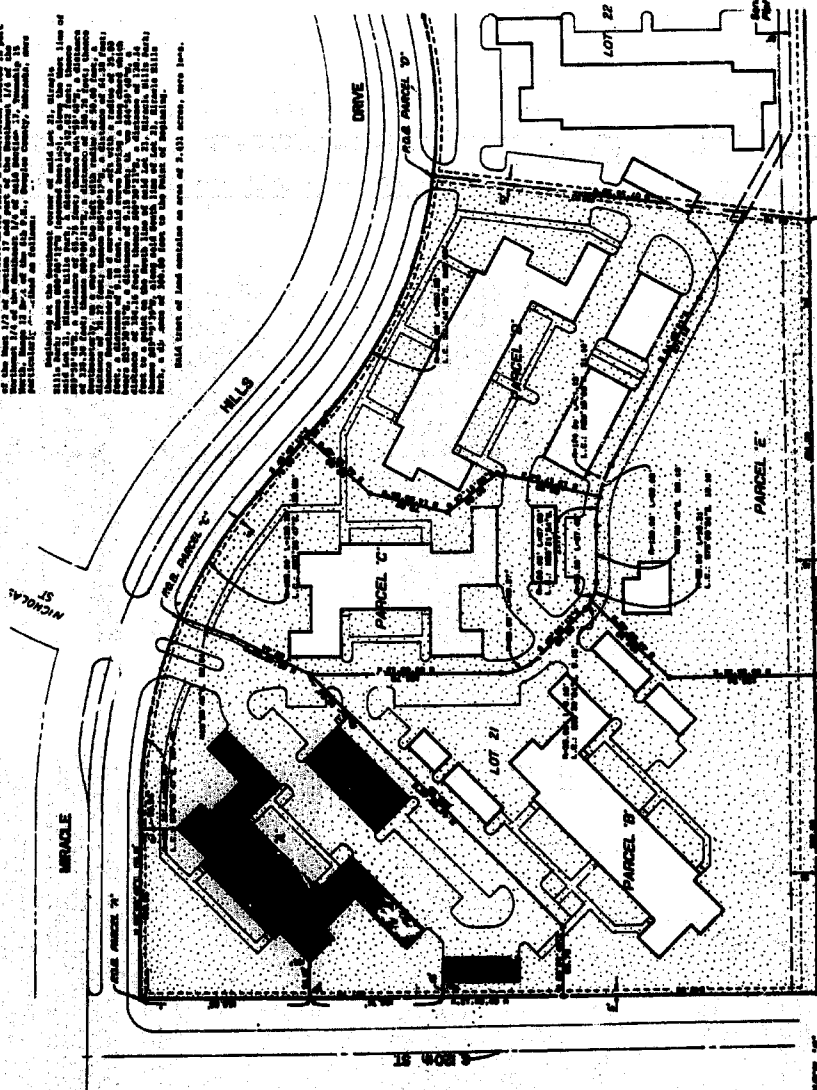
EXHIBIT "C"

WITHDRAWABLE REAL ESTATE

- Parcel B - As shown on attached Plats and Plans.
- Parcel C - As shown on attached Plats and Plans.
- Parcel D - As shown on attached Plats and Plans.
- Parcel E - As shown on attached Plats and Plans.

# MIRACLE HILLS PARK PLACE

OMAHA, NEBRASKA



**PARCEL 'A' - 3,033 SQUARE FEET, PLS**  
 Part of Lot 21, Miracle Hills Park, a subdivision located in part of Section 17 of the Township 17 N and Range 17 W of the County of Douglas, State of Nebraska, and the entire Parcel 'A' as shown on the plat hereof, containing 3,033 square feet of land, more or less.

Reference is made to the subdivision map of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof.

That parcel of land contains an area of 3,033 square feet, more or less.

**PARCEL 'B' - 1,184 SQUARE FEET, PLS**  
 Part of Lot 21, Miracle Hills Park, a subdivision located in part of Section 17 of the Township 17 N and Range 17 W of the County of Douglas, State of Nebraska, and the entire Parcel 'B' as shown on the plat hereof, containing 1,184 square feet of land, more or less.

Reference is made to the subdivision map of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof.

That parcel of land contains an area of 1,184 square feet, more or less.

**PARCEL 'C' - 1,270 SQUARE FEET, PLS**  
 Part of Lot 21, Miracle Hills Park, a subdivision located in part of Section 17 of the Township 17 N and Range 17 W of the County of Douglas, State of Nebraska, and the entire Parcel 'C' as shown on the plat hereof, containing 1,270 square feet of land, more or less.

Reference is made to the subdivision map of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof.

That parcel of land contains an area of 1,270 square feet, more or less.

**PARCEL 'D' - 1,173 SQUARE FEET, PLS**  
 Part of Lot 21, Miracle Hills Park, a subdivision located in part of Section 17 of the Township 17 N and Range 17 W of the County of Douglas, State of Nebraska, and the entire Parcel 'D' as shown on the plat hereof, containing 1,173 square feet of land, more or less.

Reference is made to the subdivision map of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof, and to the plat of said Lot 21, Miracle Hills Park, as shown on the plat hereof.

That parcel of land contains an area of 1,173 square feet, more or less.

**PARCEL 'E'**  
 COMMON CLEAR EWT

**NOTE: PARCELS NOT SHADDED INDICATE POSSIBLE FUTURE CONSTRUCTION**

**PARCEL 'F'**  
 COMMON CLEAR EWT

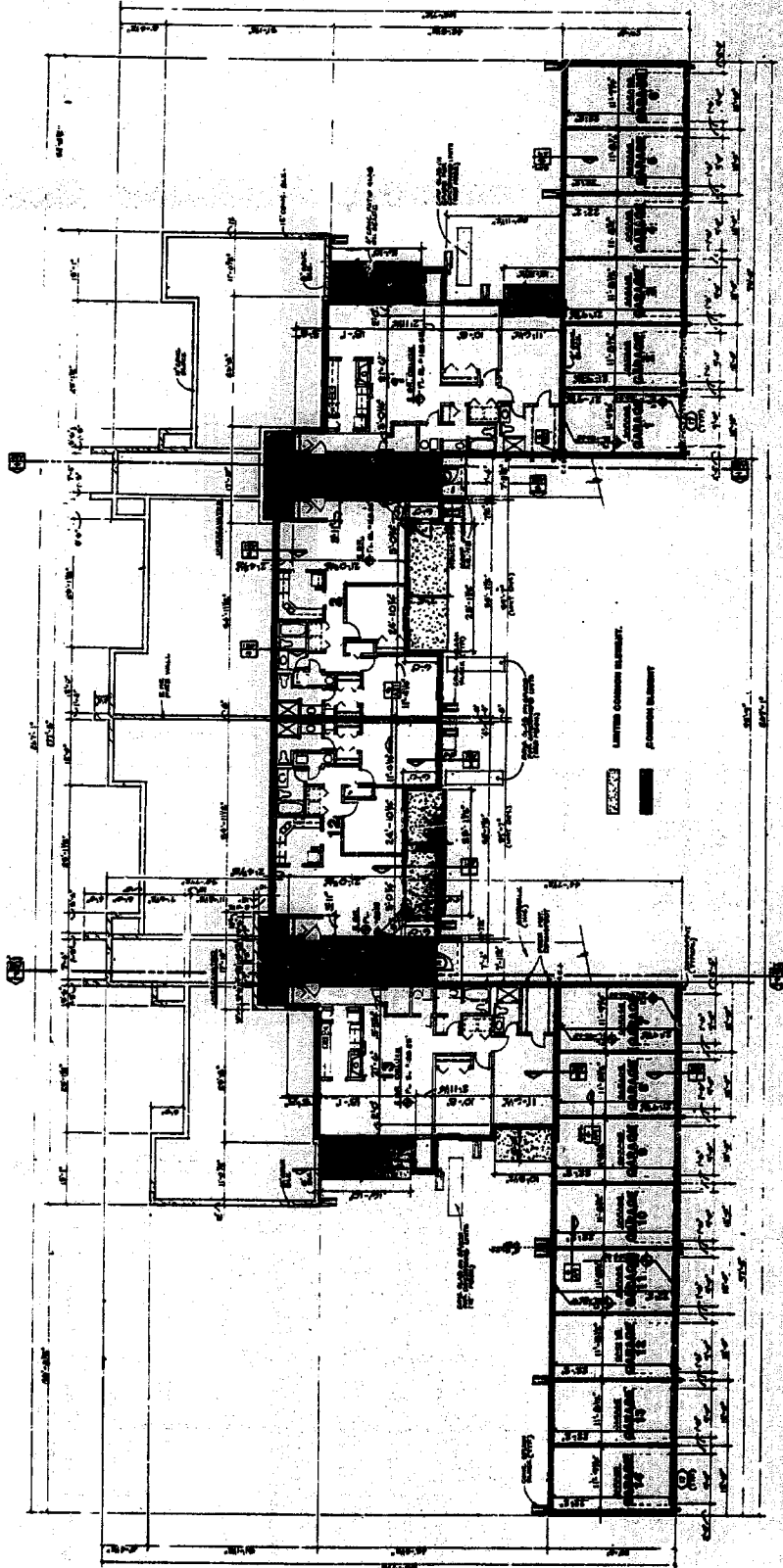
**PHASE I**  
**PARCEL EXHIBIT**  
**MIRACLE HILLS PARK PLACE**

Prepared and Published by *[Signature]*

Professional Engineer  
 No. 10174  
 State of Nebraska

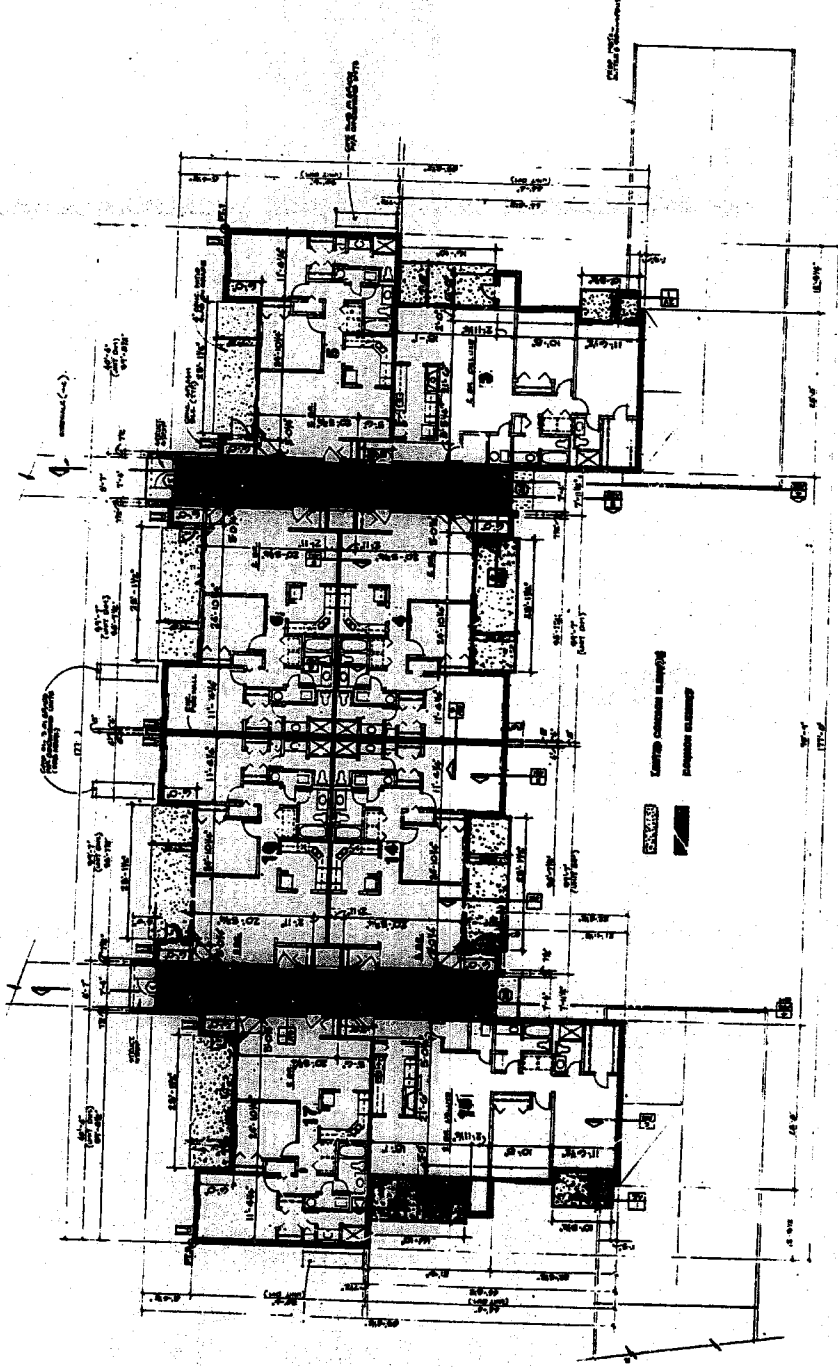
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MIRACLE HILLS PARK PLACE  
OMAHA, NEBRASKA



MIRACLE HILLS PARK PLACE  
OMAHA, NEBRASKA

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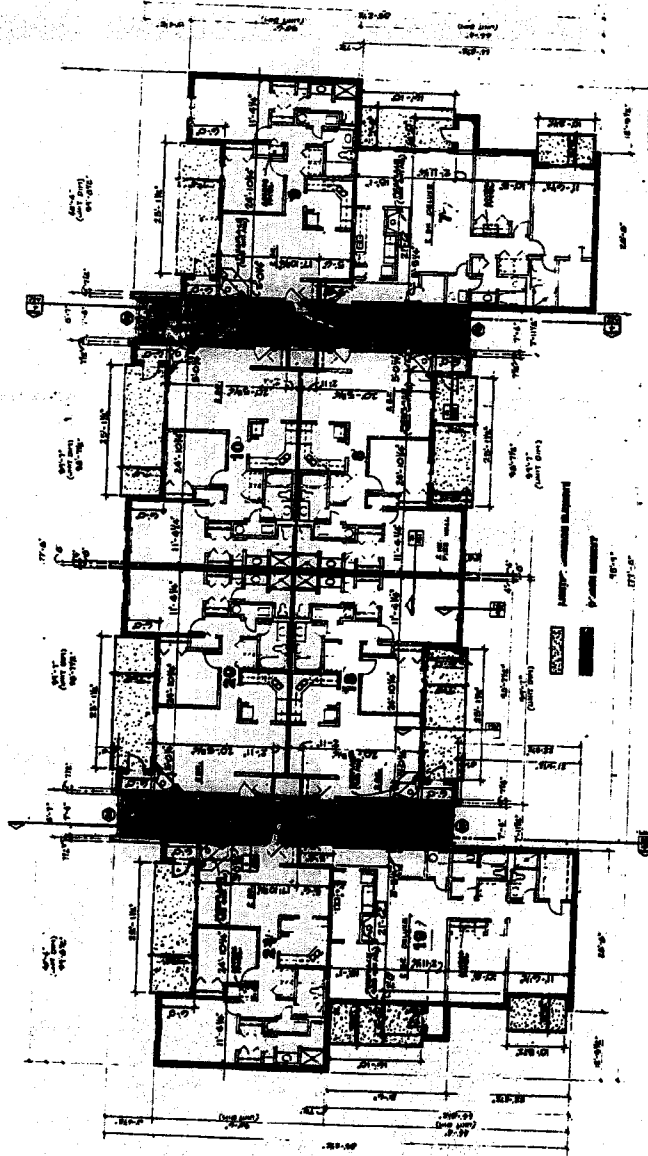
FINISHES  
 PARTIAL CONCRETE SLAB  
 EXPOSED BRICK

FIRST FLOOR PLAN - BUILDING "A"  
 SCALE: 1/8" = 1'-0"  
 DATE: 11-15-55



MIRACLE HILLS PARK PLACE  
OMAHA, NEBRASKA

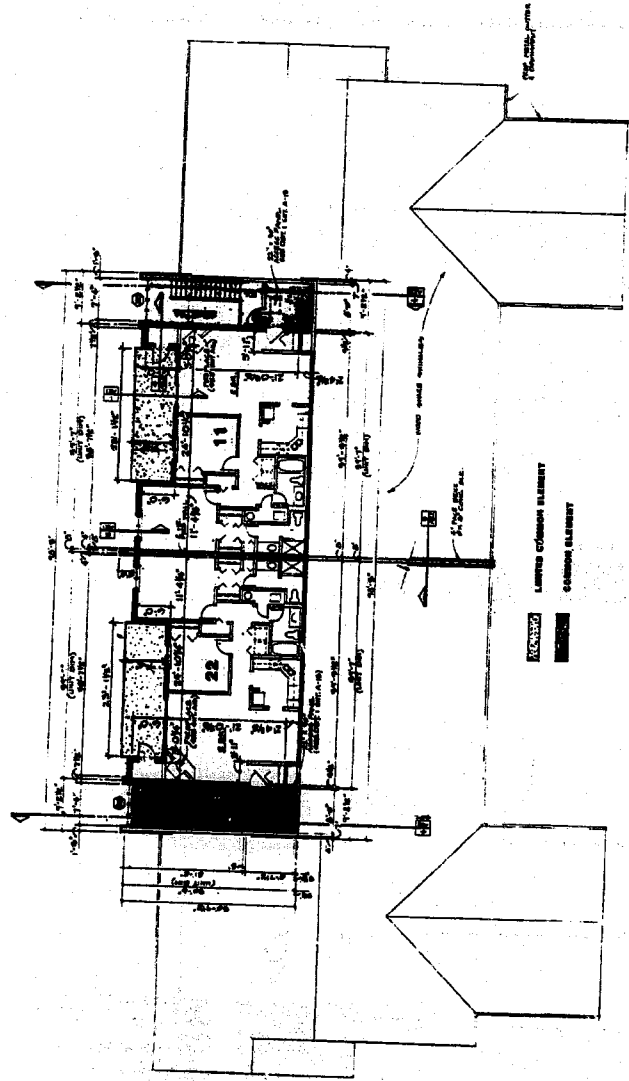
Plans and Plans



SECOND FLOOR PLAN - BUILDING A  
L. B. - 1934  
CIVIL ENGINEER AND ARCHITECT

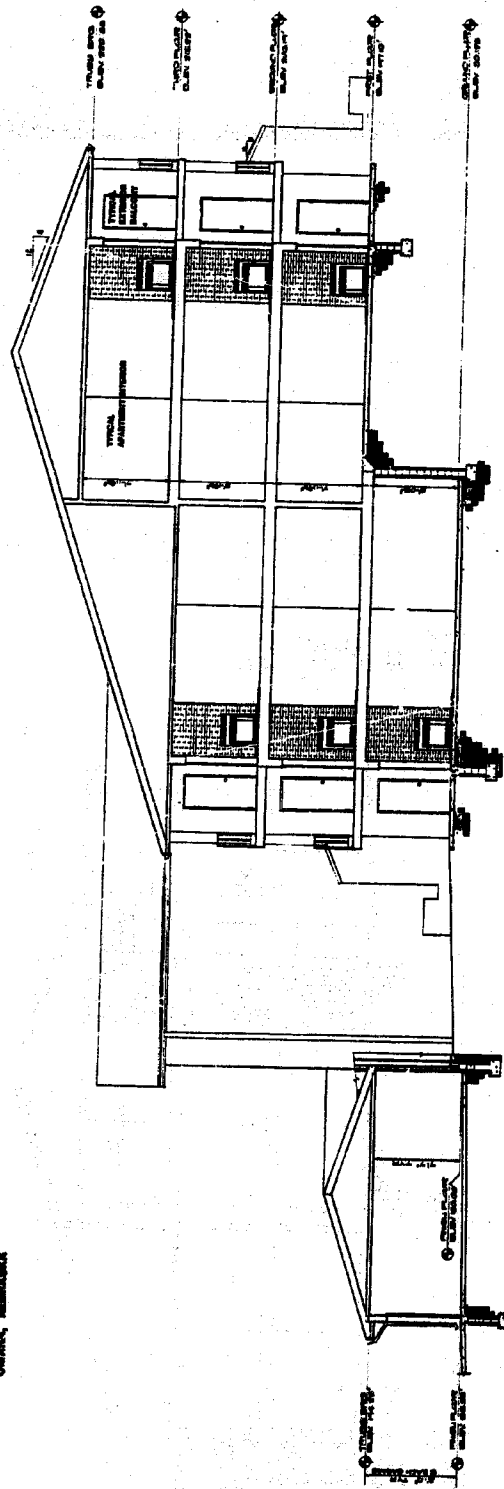
MIRACLE HILLS PARK PLACE  
OMAHA, NEBRASKA

BOOK 758 PAGE 282



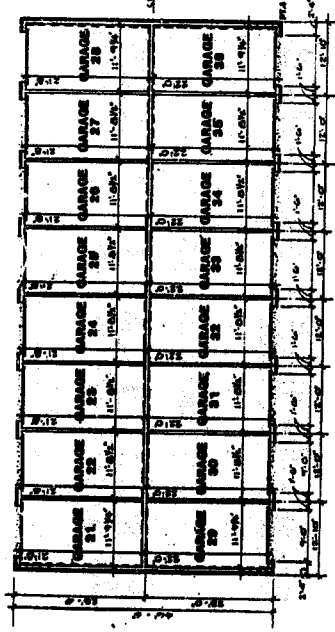
THIRD FLOOR PLAN - BUILDING A  
 + 1/4" = 1'-0" (SEE REVISIONS)  
 + 1/4" = 1'-0" (SEE REVISIONS)

**MIRACLE HILLS PARK PLACE**  
OMAHA, NEBRASKA

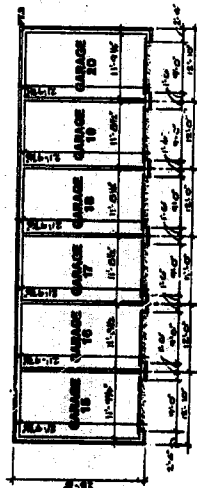


TYPICAL CROSS SECTION TUBE BUILDING

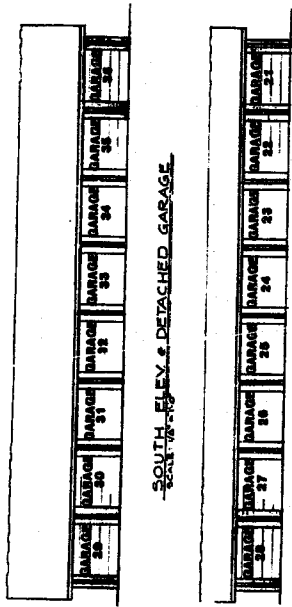
BOOK 758 PAGE 284



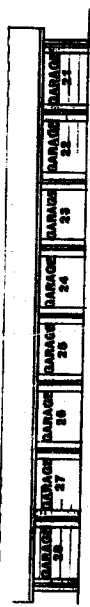
DETACHED GARAGE FLOOR PLAN  
SCALE: 1/8" = 1'-0"



DETACHED GARAGE FLOOR PLAN  
SCALE: 1/8" = 1'-0"



SOUTH ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"

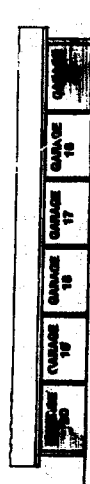


NORTH ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"

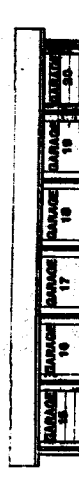


WEST ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"

EAST ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"



WEST ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"



EAST ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"

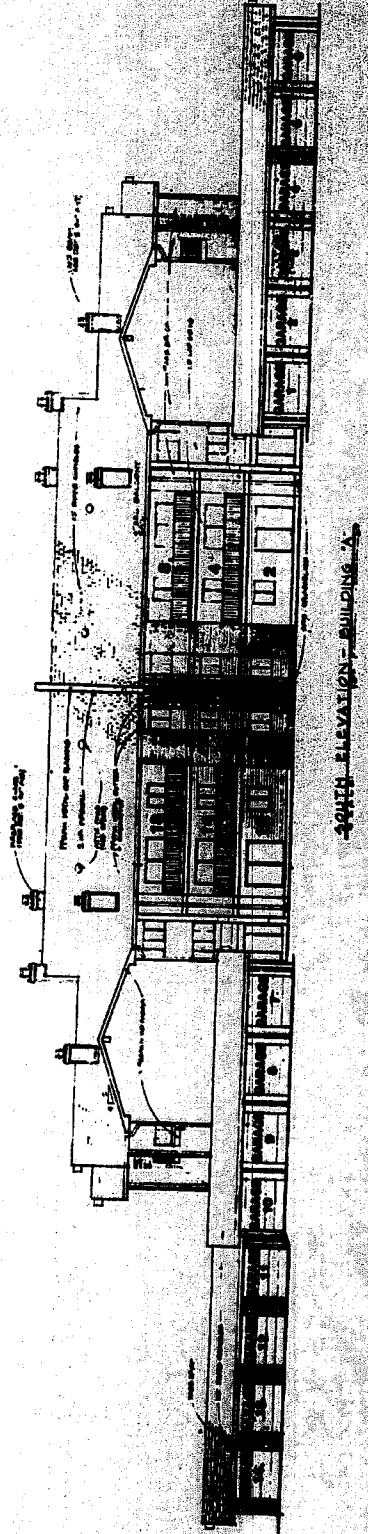
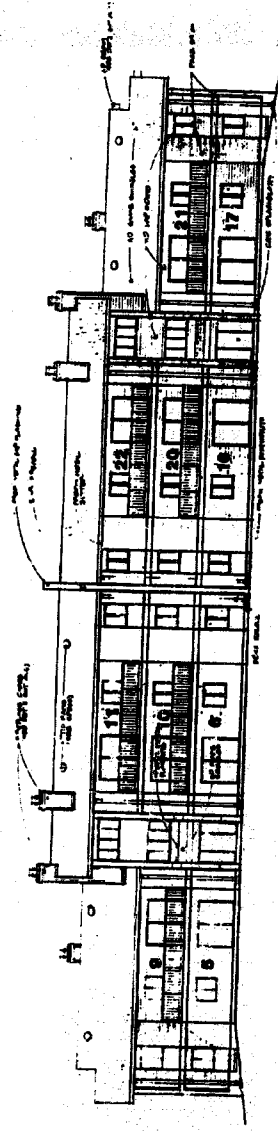
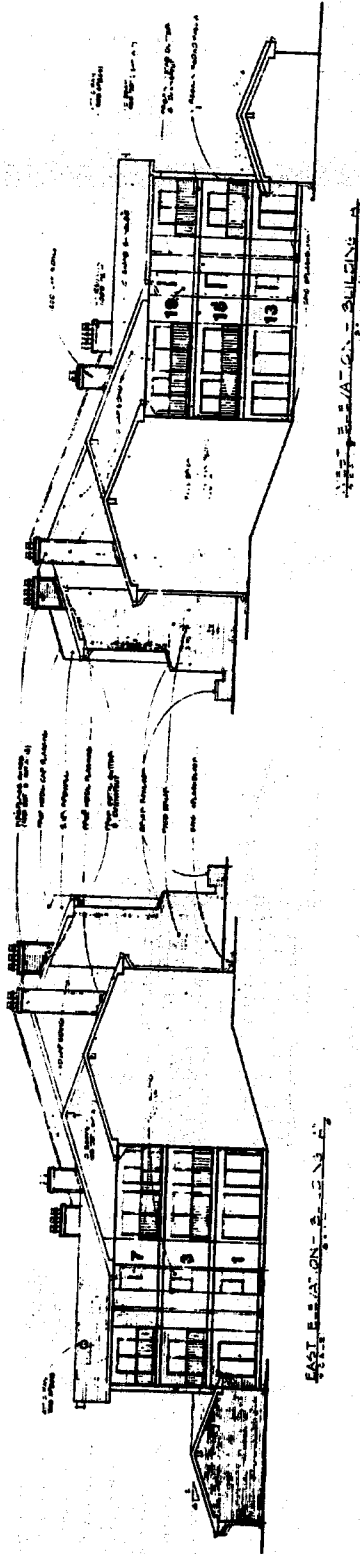


NORTH ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"



SOUTH ELEV. & DETACHED GARAGE  
SCALE: 1/8" = 1'-0"

MIRACLE HILLS PARK PLACE  
OMAHA, NEBRASKA



MIRACLE HILLS PARK PLACE  
OSAMA, MICHIGAN

BY-LAWS

1. These are the By-Laws of Miracle Hills Park Place Condominium Association, Inc., a Nebraska nonprofit corporation.
2. Seal. The corporate seal shall bear the name of the corporation and the words "Corporate Seal."
3. Members. This corporation has been organized to provide a means of management for the above described condominium property regime. Membership in the Association is automatically granted and restricted to record owners of Units in the Condominium property regime. Each Unit shall be entitled to one (1) vote.
4. Annual Meeting. An annual meeting of the members of the Association will be held for the purpose of electing an Executive Board and transacting any other business that may come before the meeting. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent postage prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting must state 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 bylaws, any budget changes, and any proposal to remove a director or officer.
5. Special Meetings. Special meetings may be called by the President, a majority of the Executive Board or by Unit Owners having twenty percent (20%) of the votes in the Association. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent postage prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting must state 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 bylaws, any budget changes, and any proposal to remove a director or officer.
6. Quorum. A quorum of members' meeting shall consist of that number of persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Executive Board. The affirmative vote of persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Executive Board shall be required to adopt a decision on the part of the members.

7. Voting, Proxies.

(a) If only one of the multiple owners of a Unit is present at a meeting of the Association, he or she is entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners, unless the declaration expressly provides otherwise. There is majority agreement if any one or the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Units.

(b) Votes allocated to a unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by other owners of the unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

(c) If the declaration requires that votes on specified matters affecting the condominium be cast by lessees rather than Unit Owners of leased units; (i) the provisions of subsections (a) and (b) of this section apply to lessees as if they were Unit Owners; (ii) Unit Owners who have leased their Units to other persons may not cast votes on those specified matters; and (iii) lessees are entitled to notice of meetings, access to records, and other rights respecting those matters as if they were Unit Owners.

8. Executive Board. Except as otherwise provided in the Declaration the affairs of the Association shall be managed by an Executive Board of five (5) Directors. All Directors (unless appointed by the Declarant pursuant to Special Declarant rights in the Declaration) must be members of the Association as defined in Paragraph 3 above.

Any Director (except for one appointed by the Declarant pursuant to Special Declarant rights in the Declaration) may be removed by the vote of the owners of the majority of the Units. In the event that a Director is so removed, a substitute Director shall be elected to serve the unexpired portion of the term of the Director who was removed. In the event that a Director dies or resigns during his term as Director, a substitute Director shall be elected to serve the balance of the term of the deceased or resigning Director.



A majority of the Directors shall constitute a quorum, and a majority vote of Directors present at a meeting comprising a quorum shall constitute the act of the Executive Board of the Association. The Executive Board shall have authority for the care, upkeep and surveillance of the condominium buildings and their general and limited common elements or services and also the designation and dismissal of personnel necessary for the workings and the general and limited common services of the condominium buildings. Compensation of Directors and employees of the Association shall be fixed by the Executive Board, and a contract for management of the condominium buildings may be entered into with a Director. In the event that an agreement or a contract is entered into by the Executive Board and any other entity in which any one or more members of the Executive Board has a financial interest or business relationship, the nature of the interest or relationship shall be fully disclosed to the entire Executive Board prior to entering into such agreement or contract.

The Executive Board shall not be liable to the Association or any Association member for any mistake or error in judgment or for any act or omission made or done in good faith. The Executive Board shall be liable for any acts or omissions resulting from an intentional wrong doing. The Association shall indemnify any Director for his actions in executing his duties as a Director; provided, however, that such indemnification shall not extend to acts or gross negligence or dishonesty. The Executive Board shall not, either as a group or individually, except as otherwise provided herein, be responsible for any matters not covered by the insurance policy owned by the Association.

The Executive Board is invested with complete authority to make decisions pertaining to the maintenance, construction and/or installation of all fences, trees, gardens, shrubs, exterior lighting and any and all other matters which may affect the external appearance of the condominium properties.

The Executive Board is also invested with the authority to resolve any and all disputes of any nature whatsoever as to matters which are not specifically addressed by these amended By-Laws or the Declaration.

9. Annual Meeting of Executive Board. An annual meeting of the Executive Board shall be held immediately following the annual meeting of the members of the association. No additional notice of such annual meeting shall be required. Special meetings of the Executive Board may be called by the President or by a majority of the Directors upon forty-eight (48) hours' prior notice of such meeting, which notice shall be given either personally, by mail, telephone or telegraph.

10. Officers. Officers of the Corporation shall be elected by the Directors. Compensation of the officers, if any, shall be



fixed by the Directors. Any person may hold two or more offices, but no one person shall hold the offices of President and Secretary. The officers of the Association shall consist of a President, Vice-President, Secretary and Treasurer and such additional officers as the Administrators shall, from time to time, deem necessary.

(a) President. The President, or the Vice-President in the absence or disability of the President, shall be the chief executive officer of the Association; shall preside at the meetings of the members and of the Directors; shall execute all contracts and instruments on behalf of the Association; shall have general management of the corporate affairs and shall effect all orders of the Executive Board.

(b) Secretary. The Secretary shall record the Minutes of the Administrators and of the members. The Secretary shall keep the Minute Book of the Association in his possession. The Secretary shall also have custody of the corporate seal and affix it to such instruments as are authorized by the Administrators and the Secretary shall perform such other duties as may be prescribed by the President or the Directors.

(c) Treasurer. The Treasurer shall have custody of the funds and securities of the Association and shall also account for all corporate receipts and disbursements. The Treasurer shall also perform such other duties as may be prescribed by the President or the Executive Board.

11. Budget. The Directors shall adopt a budget for each calendar year which shall include the estimate of funds required to defray common expenses anticipated during the fiscal year and to provide funds for anticipated current expenses, reserves for deferred maintenance, reserves for replacement and reserves to provide a working fund or to satisfy anticipated losses. The budget shall be adopted in the eleventh month of each fiscal year for the succeeding fiscal year, and copies of the budget and proposed assessments shall be sent to each owner on or before the last day of the fiscal year preceding the year for which the budget is adopted. Budgets may be amended during a current year if necessary, and in the event that the budget is amended, copies of the amended budget and proposed increases or decreases in assessments shall be mailed to each owner as promptly as possible. There shall be no enlargement of the common elements or additional structures built as part of the common elements if the cost of such enlargement or additional construction will exceed \$3,000.00 unless and until such proposed enlargement or construction is approved by a majority of the owners the Units at a meeting called to vote upon such issue; provided, however, such approval shall not be required for enlargement or Common Elements made or constructed by Declarant pursuant to Special Declarant Rights set forth in Article X of the Declaration.

12. Assessments. Assessments against each Unit for common expenses shall be made annually on or before the last day of the fiscal year preceding the fiscal year for which assessments are made. The Annual assessments shall be due in twelve (12) equal monthly installments, payable on the first day of each and every month. The amount of the assessment which is to be levied against each Unit shall be each Unit's pro-rata share of the total annual budget of the regime in which such Unit is located based upon the percentage to be born by that Unit as set forth in the Declaration. In the event that an annual budget is amended, the amended assessment shall be payable at the time specified in the notice of the amended assessment sent to each owner. If any co-owner shall fail or refuse to make any payment of an assessment when due, the amount of such payment shall constitute a lien on the interest of the co-owner in his apartment, and the Directors may record such lien in the office of the Register of Deeds. Interest shall accrue on any assessments which are more than ten (10) days delinquent at the highest contract rate of interest then permitted by the Statutes of the State of Nebraska, or at eighteen percent (18%) per annum if contract interest is unregulated by statute, from the date that the same was due until the date that the same is paid. If any installment of an assessment is delinquent for more than 10 days, the balance of the assessment due and owing for that fiscal year shall become immediately due and payable.

13. Nuisances; Annoyances. The Executive Board shall have authority to resolve all disputes pertaining to practices which may constitute an annoyance or nuisance to owners or residents of the Units located within the condominium property regimes, which practices may interfere with the peaceful use and enjoyment of the owner or resident. The Board shall have exclusive authority to determine whether or not a given practices constitutes an annoyance or nuisance. In the event that the Executive Board determines that a practice constitutes a nuisance, annoyance or interference, the Board shall notify the offending party of such practice and instruct such offending party that such practice shall cease. In the event that such practice does not cease, the Board may notify the offending party in writing advising the offending party that a hearing will be held concerning the practice in question, and that the Board may, after such hearing, if determined that such practice did constitute a nuisance, annoyance or interference, impose a fine against the offending party not to exceed \$100.00. If the Board does determine that a fine should be assessed against the offending party, the determination of the board to assess such fine must be approved by the owners of a majority of the Units. If the owners of a majority of the Units do approve the assessment of such fine, and if the offending party fails to pay such fine, such fine may be assessed against the apartment owned by or occupied by the offending party and enforced as any other lien against the apartment.

14. Decks, Patios and Fences. The Association shall be responsible for maintaining and staining and/or painting of balconies affixed to Units.

The Association may, in its discretion, paint, stain, maintain, repair or replace any patio, patio cover, deck cover, fence or any other exterior addition to any unit which is not common to all other units, but in the event that the Association does paint, stain, maintain, repair or replace any patio, patio cover, deck cover, fence or any other exterior addition to any apartment that is not common to all other units, the cost of the same shall be borne by the apartment owner to which the same is affixed or who constructed such addition or who is the principal recipient of the benefit derived by the existence of such addition.

Should the apartment owner elect to install, paint, stain, maintain, repair or replace any of those items designated in the next preceding paragraph, such installation, painting, staining, maintenance, repair or replacement shall first be approved by the Executive Board to insure that such action by the apartment owner will conform aesthetically with the other apartments located in the condominium regime. In any event, the cost of painting, staining, maintaining, repairing, or replacing any of the items set forth in the next preceding paragraph shall be the responsibility of the apartment owner to which such addition is affixed or the apartment owner who derives the principal benefit from the existence of such addition. In the event that the Association does effect any of those items designated herein and the apartment owner fails or refuses to pay for the same, the cost of the same may be enforced against an apartment in the same manner as any other lien provided for by these By-Laws.

No apartment owner or resident may make any improvement, alteration, additional or deletion which may affect the exterior appearance of any of the condominium property without first submitting a written request for approval for the same to the Executive Board. The Executive Board shall respond to such request in writing within thirty (30) days of the date of receipt of such request. Prior to making a determination as to whether such request will be granted, the Executive Board shall send to all apartment owners an agenda of the meeting of the Executive Board at which such determination will be made advising each apartment owner that there will be held at that particular meeting of the Executive Board a discussion and possible action on the request of an apartment owner to construct or perform an improvement, alteration, addition or deletion which may affect the external appearance of one of the condominium property regimes.

In the event that a Unit owner does not obtain prior written approval from the Executive Board to construct or perform any improvement, alteration, additional or deletion or to do any

other act which may affect the appearance of the exterior of any condominium property regime, and if such owner or resident does make such modification, the Executive Board may remove the improvement or addition or correct the alteration or deletion or take any other action necessary to remedy the modification to effect the desired conformity of external appearance of the condominium regime. Any expenses incurred by the Executive Board to remedy such improvement, alteration, addition, deletion or other change may be enforced in the same manner as any other lien against the apartment as provided by the provisions of these By-Laws. The Executive Board shall, prior to taking such action required to remedy any situation designed herein, send written notice of such intended action to the Unit Owner who has failed to obtain the requisite approval. The Unit Owner may, within five days of the date of such notice, request a hearing before the Executive Board regarding the proposed action of the Executive Board. After such hearing, if the Executive Board does determine that some action is required to correct the improvement, alteration, addition, deletion or other change, the Association will grant to the apartment owner thirty (30) days in which to take such corrective action. In the event that the Unit Owner does not take such corrective action within said thirty (30) day period, the Executive Board may, without further notice, perform such corrective action, and the cost of the same shall constitute a lien against the subject apartment, which lien may be enforced as any other lien as provided by the provisions of these By-Laws.

15. Insurance. The Association shall furnish and maintain in full force and effect a policy or policies of insurance as required by 76-871 of the Act.

16. Access. The Executive Board shall have the right of access to each apartment at all reasonable hours to inspect and to perform any necessary or emergency work upon all pipes, wires, conduits, ducts, cables, utility lines and any common elements accessible from within any apartment, and to insure compliance by each co-owner of all of his duties under the provisions of the Declaration, By-Laws and any additional rules and regulations which may be promulgated by the Executive Board.

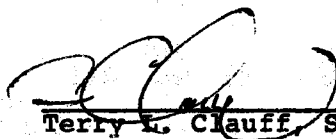
17. Amendment. These By-Laws and the system of Administration set forth herein may be amended by the vote of co-owners representing ownership of at least 66-2/3% of the Units, but each such amendment shall embody all of the provisions required by §76-815 of the Revised and Reissued Statutes of the State of Nebraska or any other Statutes which may be applicable. Such amendment shall be executed and acknowledged by the President and attested to by the Secretary of the Association on behalf of the Association and shall be operative upon the recording of such amendment in the office of the Register of Deeds of Douglas County, Nebraska in the same manner as the Declaration

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and these amended By-Laws. Additionally, those co-owners approving of such amendment shall execute such amendment. Additionally, the Directors of each Association approving of such amendment shall execute the same.

18. Severability. In the event that any provision of the Declaration, By-Laws or rules and regulations is declared invalid by any court of competent jurisdiction or by any Statute or rule of law, such invalidity shall not impair or affect in any manner the validity, enforceability or effect of the remaining provisions of the Declaration, By-Laws or rules and regulations, and, in such event, all of the remaining provisions of said documents shall remain in full force and effect as if such invalid provision had not been included therein.

I, Terry L. Clauff, the duly-elected and acting Secretary of the Corporation hereby certify that the foregoing By-Laws, consisting of Articles I through XI, inclusive, are a true and correct copy of the By-Laws adopted by Shareholders of the Corporation at their First Meeting held upon the 18<sup>th</sup> day of November, 1985, and as approved, ratified and adopted by the Board of Directors of the Corporation upon the same date.



Terry L. Clauff, Secretary

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GEORGE J. BUGIENICZ  
REGISTER OF DEEDS  
DODUCAS COUNTY, ILLINOIS

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