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AFFIDAVIT

STATE OF NEBRASKA )  
 ) ss.  
COUNTY OF DOUGLAS )

Ann Becker, being first duly sworn upon oath, states and deposes as follows:

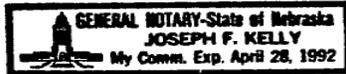
1. I am the President of the Sunset Valley Condominiums Homeowners Association.

2. Attached to this Affidavit, and by this reference made a part hereof are copies of the Amended By-Laws of the Sunset Valley Condominiums and the Sunset Valley Apartments Condominium Rules & Regulations. Both amended documents were approved by a June 9, 1991 meeting of the Homeowners Association. Fourteen votes favoring the Amended By-Laws and Rules & Regulation were received, which is excess of the eleven votes required to amend the By-Laws and Rules & Regulations.

FURTHER AFFIANT SAYETH NOT.

*Ann Becker*  
Ann Becker

SUBSCRIBED and SWORN to before me this 16 day of July, 1991.



*Joseph F. Kelly*  
Notary Public

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GEORGE J. RUBLEWICZ  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

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**BYLAWS OF THE SUNSET VALLEY CONDOMINIUMS****Article I  
Plan of Condominium Ownership**

**Section 1. Condominium Ownership.** The property located at 91st and Arbor Street in the City of Omaha, State of Nebraska, hereinafter referred to as the "Condominium" and more particularly described in the Master Deed establishing such, has been submitted to the provisions of the Nebraska Condominium Property Act and has been established as a Condominium Regime by recordation of the Master Deed to such property in the office of the Register of Deeds, Douglas County, Nebraska, consisting of 16 condominium units (collectively, "the Condominium").

**Section 2. Applicability of Bylaws.** The provisions of these Bylaws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium Property" as used herein shall include the land, the buildings, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, personal, or mixed, intended for use in connection therewith, and submitted to the provisions of The Nebraska Condominium Property Act.

**Section 3. Application.** All present and future owners, mortgagees, lessees and occupants of Condominium units and their employees, and any other persons who may use the facilities of the Condominium in any manner are subject to these Bylaws, the Master Deed, and rules and regulations pertaining to the use and operation of the Condominium Property attached as Schedule A and referred to in Article V, Section 17 hereof. The acceptance of a deed or conveyance, or the execution of a lease, or the act of occupancy of a unit shall constitute an acceptance of and agreement to comply with the provisions of these Bylaws.

**Section 4. Office.** The office of the Condominium and of the Board shall be located on the premises of the Condominium.

**ARTICLE II  
BOARD**

**Section 1. Number and Qualification.** The affairs of the Condominium shall be governed by a Board. Until sixteen units shall have been sold by the Sponsor, Robton, Inc. and shall have been paid for, and thereafter until their successors shall have been elected by the unit owners, the Board shall consist of such of the officers, agents, and partners of the Sponsor as shall have been designated by the Sponsor. Thereafter the Board shall be composed of five persons, all of whom shall be owners or spouses of owners or mortgagees of units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, shareholders, or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries, or officers or employees of such fiduciaries.

**Section 2. Powers and Duties.** The Board shall have the powers and duties necessary for the administration of the affairs of the Condominium except such powers and duties as by law or by the Master Deed or by these Bylaws may not be delegated to the Board by the unit owners. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the common elements;

(b) Determination of the amounts required for operation, maintenance and other affairs of the Condominium;

(c) Collection of the common expenses from the unit owners including the preparation and recordation of liens for unpaid common expense;

(d) Employment and dismissal of personnel, as necessary for the efficient maintenance and operation of the Condominium;

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Condominium property;

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor;

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

(h) Purchasing units at foreclosure or other judicial sales in the name of the Board, or its designee, corporate or otherwise, on behalf of all unit owners;

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board) or otherwise dealing with units acquired by, and subleasing units leased by the Board or its designee, corporate or otherwise, on behalf of all unit owners;

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

(k) Obtaining insurance for the Condominium Property, including the units, if necessary, pursuant to the provisions of Article V hereof; and

(l) Making repairs, additions, and improvements to, or alterations of, the Condominium Property, and repairs to and restoration of such property in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

**Section 3. Managing Agent and Manager.** The Board may employ for the Condominium a managing agent or a manager, or both, at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to the duties listed in subdivisions (a), (c), (d), (k), and (l) of Section 2 of this Article II. The Board may delegate to the manager or managing agent, all of the powers granted to the Board by these Bylaws other than the powers set in subdivisions (b), (e), (f), (g), (h), (i) and (j) of Section 2 of this Article II.

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

owners.

**Section 5. Removal of Board.** At any regular or special meeting of unit owners, any one or more of the members of the Board may be removed with or without cause by a majority of the condominium owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

**Section 6. Vacancies.** Vacancies in the Board caused by any reason other than the removal of a member thereof, by a vote of the unit owners, shall be filled by a vote of a majority of the remaining members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

**Section 7. Organization meeting.** The first meeting of the members of the Board following the annual meeting of the unit owners shall be held within ten days thereafter, at such time and place as shall be fixed by the unit owners at the meeting at which such Board shall have been elected, and no notice shall be necessary to the newly elected members of the Board in order legally to constitute such meeting, providing a majority of the whole Board shall be present at such meeting.

**Section 8. Regular Meetings.** Regular Meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least two such meetings of the Board shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board, by mail, at least three business days prior to the day named for such meeting.

**Section 9. Special Meetings.** Special meetings of the Board may be called by the President on three business days' notice to each member of the Board, given by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three members of the Board.

**Section 10. Waiver of Notice and Consents in Lieu of Meetings.** Any member of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Business may be transacted and approved by the Board in the form of a written consent in lieu of a regular or special meeting provided all of the members of the Board shall have executed such written consent.

**Section 11. Quorum of Board.** At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted

at the meeting originally called, may be transacted without further notice.

**Section 12. Fidelity Bonds.** The Board may obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums for such bonds shall constitute a common expense.

**Section 13. Compensation.** No members of the Board shall receive any compensation for acting as such. Provided, however, members of the Board may be reimbursed for any reasonable expenses incurred on behalf of the Condominium at the direction of the Board.

**Section 14. Liability of the Board.** The members of the Board shall not be liable to the condominium owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct. The owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these Bylaws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any unit owner arising out of any contract made by the Board shall be limited to such proportion of the total liability thereunder as his interest in the common elements. Every agreement made by the Board or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's total liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all unit owners in the common elements.

### Article III Condominium Unit Owners

**Section 1. Annual Meeting.** Promptly after 16 unites shall have been sold by the Sponsor and paid for, the Sponsor shall notify all unit owners of the first annual meeting of the condominium owners which shall be held within 30 days thereafter. At such meeting, the officers and agents of the Sponsor shall resign as members of the Board, and all the unit owners shall elect a new Board. Thereafter, the annual meetings of the unit owners shall be held on the 4th Sunday in January each year. At such annual meetings, the Board shall be elected by ballot of the unit owners in accordance with the requirements of Section 4, Article II of these Bylaws. The unit owners may transact such other business at such meetings as may properly come before them.

**Section 2. Place of Meetings.** Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to such owners as may be designated by the Board.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by at least 25% of all unit owners. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Within 30 days after all units shall have been sold by the Sponsor and paid for, a special meeting of the unit owners shall be held at which meeting all members of the Board elected by the Sponsor shall resign, and the unit owners, shall thereupon elect successor members of the Board.

**Section 4. Notice of Meetings.** The Secretary shall mail at least ten but not more than 20 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record a notice of each annual or special meeting of the unit owners, at the address of the unit or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

**Section 5. Adjournment of Meetings** If any meeting of unit owners cannot be held because a quorum has not attended, a majority of the owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

**Section 6. Order of Business.** The order of business at all meetings of the Condominium unit owners shall be as follows:

- (a) Roll Call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes or preceding meeting;
- (d) Reports of officers;
- (e) Report of Board;
- (f) Report of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of members of the Board (when so required);
- (i) Unfinished business; and
- (j) New business.

**Section 7. Title to Units.** Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or in the name of a corporation or partnership, or in the name of a fiduciary.

**Section 8. Voting.** The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. A fiduciary shall be the voting member with respect to any unit owned in a fiduciary capacity. Each unit shall have one vote in all matters except that cumulative voting shall apply in all elections of the Board.

**Section 9. Majority of Unit Owners.** As used in these Bylaws the term "majority of unit owners" shall mean those unit owners having more than 50% of the basic value of the Condominium Property, as a whole.

**Section 10. Quorum.** Except as otherwise provided in these

Bylaws, the presence in person or by proxy of "a majority of the unit owners" shall constitute a quorum at all meetings of the unit owners.

**Section 11. Majority Vote.** The vote of a "majority of unit owners" at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Master Deed, or by these Bylaws.

#### Article IV Officers

**Section 1. Designation.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the unit owners. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Treasurer must be members of the Board.

**Section 2. Election of Officers.** Officers shall be elected by unit owners for a three year term. Officers may not hold more than two consecutive terms. Election of officers to fill an expired term will take place at the annual meeting.

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

**Section 4. President.** The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board. He shall have all of the general powers and duties which are normally incident to the office of president of a corporation organized under the law of the State of Nebraska, including but not limited to the power of appointment from among the unit owners of any committee which he decides is appropriate to assist in the conduct of the affairs of the Condominium.

**Section 5. 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 shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the owners and of the Board; he or she shall have charge of such books and papers as the Board may direct; and he or she shall, in general, perform all the duties normally incident to the office of secretary of a corporation organized under the law of the State of Nebraska.

**Section 7. Treasurer.** The Treasurer shall have the responsibility for condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board, or the managing agent, in such depositories as may from time to time be designated by the Board, and he or she shall, in general, perform all duties normally incident to the office of treasurer

or a corporation organized under the law of the State of Nebraska.

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

**Section 9. Compensation of Officers.** No officer of the Condominium shall receive any compensation for acting as such.

#### Article V Operation of the Property

**Section 1. Determination of Common Expenses.** The board shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common expenses required to meet the expenses of the Condominium, and allocate and assess such common expenses against the unit owners equally. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of Section 2 of this Article V. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Condominium Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board shall advise each unit owner in writing of the amount of common expenses payable by him, and shall furnish copies of each budget on which such common expenses are based to all unit owners and to their mortgagees.

**Section 2. Insurance.** The Board shall consider the following insurance; however, the determination of insurance coverage shall always remain within the sole discretion of the Board:

(a) Fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring all buildings (including all of the units but not including anything within the definition of Unit as defined in the Master Deed, furniture, furnishings, or other personal property supplied, owned, or installed by unit owners), together with all air conditioning equipment and other service machinery contained therein; such insurance shall insure the Condominium, the Board, and all unit owners and their mortgagees, as their interests may appear, in an amount equal to the cash value of such property. Each policy shall contain a standard mortgage clause in favor of each mortgagee of a unit which shall provide that proceeds shall be payable to such mortgagee as its interest may appear, subject, however, to payment provisions in favor of the Board.

(b) Such other insurance as the Board may determine.

All such policies shall provide that adjustment of loss shall be made by the Board and that the net proceeds thereof shall be payable to the Board.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on

invalidity arising from any acts of the 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, including all mortgagees of units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units at least ten days prior to expiration of the then current policies. The Board shall obtain periodic insurance appraisals from a fire insurance company or otherwise of the actual cash value of the building, including, all of the units and all of the common elements therein, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The Board shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board may from time to time determine, covering each member of the Board, the managing agent, the manager, and each unit owner and the spouse and children of such owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board shall review such limits once each year.

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

**Section 3. Repair or Reconstruction After Damage.** In the event of damage to or destruction of the Condominium Property as a result of fire or other casualty (unless 75% or more of both buildings is destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration within 100 days after such damage or destruction), the Board shall arrange for the prompt repair and restoration of such property (excluding anything within the definition of Unit as defined in the Master Deed, and any furniture, furnishings, or other personal property supplied, owned or installed by unit owners), and the Board shall disburse the proceeds of all insurance policies to the Contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board shall assess all the unit owners directly affected by the damage for such deficit. Subject to provisions of the following paragraph, such deficiency shall be borne by such unit owners in the proportion that the value (as specified in the Master Deed) of their respective unit bears to the total of all such values of all units which are assessed.

If 75% or more of both buildings are destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration within 100 days after such damage or destruction, the Regime is waived and the condominium property shall be subject to an action for partition at the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be delivered by the Board to all the unit owners in accordance with Section 76820.01 of the Nebraska Condominium Property Act.

**Section 4. Payment of Common Expenses.** All unit owners shall be obligated to pay the common expenses assessed by the Board pursuant to the provisions of Section I of this Article V at such time or times as the Board shall determine.

A unit owner may, subject to the conditions specified in these Bylaws, and provided that his or her unit is free and clear of liens and encumbrances other than a permissible first mortgage, and the statutory lien for unpaid common expenses, convey his or her unit to the Board, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common expenses thereafter assessed. A purchaser of a unit shall be jointly and severally liable with the Seller for the payment of common expenses assessed against such unit prior to the acquisition by him of such unit.

**Section 5. Collection of Assessments.** The Board shall assess common expenses against the unit owners from time to time at least annually and shall take prompt action to collect from a unit owner any common expenses due which remains unpaid by him or her for more than 30 days from the due date for its payment.

**Section 6. Default in Payment of Common Expenses.** In the event of default by any unit owner in payment to the Board of the assessed common expenses, such unit owner shall be obligated to pay interest at the maximum legal rate for individuals on such common expenses from the due date thereof, together with all expenses and attorney's fees which shall be considered damages and not costs incurred by the Board in any proceeding brought to collect such unpaid common expenses. The Board shall have the right and duty to attempt to recover such common expenses, together with such interest, expenses, and attorneys' fees, in an action brought against such unit owner, or by foreclosure of the lien on such unit as provided in Section 76-817 of the Nebraska Condominium Property Act.

**Section 7. Foreclosures of Liens for Unpaid Common Expenses.** In any action brought by the Board to foreclose a lien on a unit because of unpaid common expenses, the owner shall be required to pay a reasonable rental for the use of his or her unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Board, acting on behalf of all unit owners, shall have power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid common expenses shall be maintained without foreclosing or waiving the lien securing the same.

**Section 8. Statement of Common Expenses.** The Board shall promptly provide any unit owner, who makes a request in writing with a written statement of his or her unpaid common expenses.

**Section 9. Abatement and Enjoining of Violations.** The violation of any rule or regulation adopted by the Board from time to time, or the breach of any Bylaw contained herein or the breach of any provision of the Master Deed shall give the Board the right, in addition to any other rights set forth in these Bylaws, to: (a) enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) engage in, abate, or remedy such thing or condition by appropriate legal proceedings. Nothing contained herein shall be construed to prevent an action for damages by the co-owner or tenant aggrieved by such Violation.

**Section 10. Maintenance and Repair.** (a) All maintenance of and repairs to any unit, structural or nonstructural, ordinary or extraordinary (other than maintenance of and repairs to any common elements contained therein not necessitated by the

negligence, misuse, or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any other unit and to the common elements resulting from his or her failure to effect such maintenance and repairs.

(b) All maintenance, repairs, and replacements to the common elements, whether located inside or outside of the units (unless necessitated by the negligence, misuse, or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board and be charged to all unit owners as a common expense.

**Section 11. Limited Common Elements.** Limited common elements assigned to a unit owner shall be for the exclusive use of the owner of such unit. Such unit owner shall make all repairs to such limited common elements resulting from his negligence, misuse or neglect. All other repairs in, to or with respect to such limited common elements shall be made by the Board, as a common expense, except as otherwise provided in the Master Deed establishing the Condominium.

**Section 12. Use of Condominium Units.** In order to provide for congenial occupancy of the Condominium Property and for the protection of the values of the units, the use of the Condominium Property shall be subject to the following limitations:

(a) The units shall be used for a single family residence only.

(b) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of the units.

(c) No nuisance shall be allowed on the Condominium Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Condominium Property by its residents.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Condominium Property or any part thereof and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owners or the Board, whichever shall have the obligation to maintain or repair such portion of the Condominium Property.

(e) No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein.

**Section 13. Additions, Alterations, or Improvements by Board.** Whenever in the judgment of the Board the common elements shall require additions, alterations, or improvements costing in excess of \$10,000.00 and the making of such additions, alterations, or improvements shall have been approved by a majority of the unit owners, the Board shall proceed with such alterations, additions or improvements and shall assess all unit owners the costs thereof as a common expense. Any additions, alterations, or improvements costing \$10,000.00 or less may be made by the Board without approval of the unit owners and the cost thereof shall constitute a common expense.

**Section 14. Additions, Alternations or Improvements by Unit Owners.** No unit owner shall make any structural addition,

alternation or improvement in or to his unit without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by an owner for approval of a proposed structural addition, alteration, or improvement in such unit, within 30 days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration, or improvement. Any application to any governmental authority for a permit to make an addition, alteration, or improvement in or to any unit shall be executed by the Board. The Board shall not be liable to any contractor, subcontractor, or materialman or to any person sustaining personal injury or property damage, or for any claim arising in connection with such addition, alteration, or improvement. The provisions of this Section 14 shall not apply to units owned by the Sponsor until after such units shall have been sold by the Sponsor and paid for.

**Section 15. Use of Common Elements and Facilities.** An owner shall not place any furniture, package, or objects in the lobbies, vestibules, public halls, stairways, or other common areas or common facilities. The lobbies, vestibules, public halls and stairways shall be used for no purpose other than for a normal transit.

**Section 16. Right of Access.** A unit owner shall grant a right of access to his or her unit to the manager, the managing agent, and any other person authorized by the Board, the manager, or the managing agent, to make inspections on a reasonable basis, to correct any condition originating in his or her unit and threatening another unit or a common or limited common element; to install, alter, or repair mechanical or electrical services or other common elements in his or her unit or elsewhere in the building; and to correct any condition which violates the provisions of any mortgage covering another unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

**Section 17. Rules of Conduct.** Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board with the approval of unit owners owning at least two-thirds of the basic value of all units in the Condominium. Copies of such rules and regulations shall be furnished by the Board to each unit owner prior to their effective date. Initial rules and regulations, which shall be effective until properly amended or revoked are annexed and made a part of these Bylaws as Schedule A.

**Section 18. Utilities.** Electricity, gas and water are currently supplied by the public utilities directly to each unit through a separate meter and each unit owner shall be required to pay the bills for such utilities consumed or used in his or her unit. The utilities serving the common elements and limited common elements shall be separately metered and the Board shall pay all bills for such utilities consumed in such portions of the common elements or limited common elements, as a common expense.

## Article VI Mortgages

**Section i. Notice to Board.** An owner who mortgages his or her unit shall notify the Board of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Apartments".

**Section 2. Notice of Unpaid Common Expenses.** The Board, whenever so requested in writing by a mortgagee of a unit, shall promptly report any of then unpaid common expenses or other default by the owner of the mortgaged unit.

**Section 3. Notice of Default.** The Board when giving notice to a unit owner of a default in paying common expenses or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board.

**Section 4. Examination of Books.** Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

#### Article VII Sales and Leases of Units

**Section 1. Sales and Leases.** No unit owner may sell or lease his or her unit or any interest therein except by complying with the provisions of this Section. A unit owner's sale of his or her unit shall include the sale of (a) the undivided interest in the common elements appurtenant thereto; (b) the interest of such unit owner in any units theretofore acquired by the Board, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the Condominium, hereinafter collectively called the appurtenant interests.

Any unit owner who receives a bona fide offer for the sale or lease of his or her unit, hereinafter called an outside offer, which he or she intends to accept, shall give notice to the Board of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board may reasonably require, and shall offer to sell or to lease such unit to the Board, or its designee, corporate or otherwise, on behalf of the owners of all other units, on the same terms and conditions as contained in such outside offer. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer, to the Board on behalf of the other unit owners, that such unit owner believes the outside offer to be bona fide in all respects. Within 15 days after receipt of such notice, the Board may elect, by notice to such unit owner, to purchase or to lease such unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other unit owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the unit owner. In the event the Board shall elect to purchase or to lease such unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium 30 days after the giving of notice by the Board of its election to accept such offer. At the closing, the unit owner, if such unit is to be sold, shall convey the same to the Board, or to its designee, on behalf of all other unit owners, by deed in the proper form and shall pay all transfer taxes arising out of such sale. In the event such unit is to be leased, the offering unit owner shall execute and deliver to the Board, or to its designee, a lease between the unit owner, as landlord, and the Board, or its designee, as tenant, covering such unit, on the terms and conditions contained in such outside offer. In the event the Board or its designee shall fail to accept such offer within 15 days, the unit owner shall be free to contract to sell or to lease such unit, as the case may be,

to the outside offeror within 60 days after the expiration of the period in which the Board or its designee might have accepted such offer, on the terms and conditions set forth in the notice from the unit owner to the Board of such outside offer. Any deed to an outside offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Master Deed, the Bylaws, and the rules and regulations, as the same may be amended from time to time. Any lease to an outside offeror shall be consistent with these Bylaws and shall provide that it may not be modified, amended, extended, or assigned, without the prior written consent of the Board; that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board and that the Board shall have power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. In the event the offering unit owner shall not, within such 60 day period, contract to sell or to lease such unit, as the case may be, to the outside offeror on the terms and conditions contained in the outside offer, or if such a contract is entered into but not fulfilled, then the unit owner shall be required to again comply with all of the terms and provisions of this Section in order to sell or to lease the unit. The provisions hereof shall not apply to the Sponsor who shall be free to sell or lease without first notifying or obtaining the consent of the Board.

Any purported sale or lease of a unit in violation of this Section shall be voidable at the election of the Board.

**Section 2. Consent of Unit Owners to Purchase of Lease by Board.** The Board shall not exercise any option to purchase or lease any unit without the prior approval of a majority of the unit owners.

**Section 3. No Severance of Ownership.** No unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his or her unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the unit to which such interests are appurtenant, or as part of a sale, transfer, or other disposition of such part of the appurtenant interest of all units.

**Section 4. Release of Administrators of Right of First Refusal.** The right of first refusal contained in Section 1 of this Article VII may be released or waived by the Board, in which event the unit may be sold, conveyed, or leased, free and clear of the provisions of such Section.

**Section 5. Certificate of Termination of Right of First Refusal.** A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a unit owner, or have been duly waived by the Board, and that the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section 1 of this Article VII or in respect to whom the provisions of Section 1 of this Article VII have been waived, upon request, for a reasonable fee, not to exceed \$50.00

**Section 6. Financing of Purchase of Units by Board.**

Acquisition of units by the Board, or its designee, on behalf of all unit owners, may be made from the working capital and common expenses in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each owner in proportion to his ownership in the common elements, as a common expense, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V. Alternatively, the Board may borrow money to finance the acquisition of such unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than that unit so to be acquired by the Board.

**Section 7. Exceptions.** The provisions of Section 1 of this Article VII shall not apply with respect to any sale, lease or conveyance by a unit owner of his or her unit to his or her spouse or to any of his or her children or to his or her parent or parents or to his or her brothers or sisters, or any one or more of them, or to a unit owned by the Sponsor, or to the acquisition or sale of a unit by a mortgagee herein authorized who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of such Section shall apply with respect to any purchaser of such unit from such mortgagee.

**Section 8. Gifts and Devises, etc.** Any unit owner shall be free to convey or transfer his or her unit by gift or to devise his or her unit by will, or to pass the same by intestacy, without restriction.

**Section 9. Waiver of Right with Partition with Respect to Units Acquired by Board.** In the event that a unit shall be acquired by the Board, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

**Section 10. Payment of Assessments.** No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his or her unit unless and until he or she shall have paid in full to the Board all unpaid common expenses theretofore assessed by the Board against his or her unit and unless and until he or she shall have satisfied all unpaid liens against such unit, except permitted mortgages.

**Article VIII  
Condemnation**

**Section 1. Condemnation.** In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Board. If 75% or more of the unit owners duly and promptly approve the repair and restoration of such common elements, the Board shall arrange for the repair and restoration of such common elements and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these Bylaws.

**Article IX  
Records**

**Section 1. Records and Audits.** The Board of the managing agency shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium, 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 condominium shall be rendered by the Board to all owners at least quarter-annually.

**Article X  
Miscellaneous**

**Section 1. Notices.** All notices to the Board shall be sent by certified mail, receipt requested, in care of the managing agent, or if there is no managing agent, to an officer of the Board or to such other address as the Board may hereafter designate from time to time. All notices to any owner shall be sent by certified mail, receipt requested, to the building in which such owner resides or to such other address as may have been designated by him or her from time to time, in writing, to the Board. All notices to mortgagees of units, shall be sent by certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

**Section 2. Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity or enforceability of the remaining provisions.

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

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

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

**Section 6. Common Elements.** Unless the context clearly requires otherwise, the use of the term common elements shall mean both general common elements and limited common elements as those terms are defined in the Master Deed establishing this Condominium.

**Article XI  
Amendments to Bylaws**

**Section 1. Amendments to Bylaws.** Except as hereinafter provided otherwise, these Bylaws may be modified or amended by the vote of unit owners owning at least two-thirds of all units within the Condominium at a meeting of unit owners duly

held for such purposes. Section 14 of Article V, in so far as it provides that the provisions of such section shall not apply to any units owned by the Sponsor and Section 7 of Article VII, in so far as it provides that the Sponsor shall be exempt from the provisions of Section I of Article VII, and this Section 1 of Article XI may not be amended without the consent in writing of the Sponsor, so long as the Sponsor shall be the owner of one or more apartments.

**Article XII**  
**Conflicts**

**Section 1. Conflicts.** These Bylaws are intended to comply with the requirements of The Nebraska Condominium Property Act. In case any of these Bylaws conflict with the provisions of such statute or of the Master Deed, the provisions of such statute or of the Master Deed, as the case may be, shall control.

Amended 6/9/91

## SCHEDULE A

THE SUNSET VALLEY APARTMENTS CONDOMINIUM  
RULES AND REGULATIONS

1. The sidewalks, entrances, passages, vestibules, corridors and stairways of the Buildings comprising the Condominium ("the Buildings") shall not be obstructed or used for any other purpose other than ingress to and egress from the condominium units in the Buildings.
2. Fire exits shall not be obstructed in any manner. Fire doors shall remain closed at all times.
3. Each owner shall keep his or her unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be thrown or swept therefrom or from the doors or windows thereof, any dirt or other substance.
4. No awning or radio or television aerial shall be attached to or hung from the exterior of the Buildings and no sign, notice or advertisement or illumination shall be described or exposed on or at any window or other part of the Buildings, except as shall have been approved in writing by the Board or the managing agent, which approval may be granted or refused in the sole discretion of the Board or the managing agent or the manager, nor shall anything be hung or projected from any window or door without similar approval.
5. All radio, television or other electrical or cable equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements or recommendations of public authorities having jurisdiction, and the unit owner shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such owner's unit.
6. No bicycles, motorcycles, or similar vehicles shall be taken into or from the buildings through the main entrance and no baby carriages or any of the above mentioned vehicles shall be allowed to stand in public halls, passage ways, or other public areas of the Buildings.
7. No owner shall make or permit any disturbing noises in the Buildings, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other unit owners. No unit owner shall play upon or suffer to be played any musical instrument, or operate or permit to be operated a phonograph, a radio, television set or other loud speaker in such owner's unit between the hours of 1:00 a.m. and the following 6 a.m., if the same shall disturb or annoy other occupants of the Buildings.
8. No pets or domestic animals may be kept by any apartment owner or allowed in the Buildings.
9. Water-closets and other water apparatus in the Buildings shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other articles be thrown into the same. Any damage resulting from such use of any water-closet or other apparatus in the unit shall be repaired and paid for by the owner.
10. The agents of the Board or workman authorized by the Board may enter any room or unit in the Buildings at a reasonable hour of the day for the purpose of inspecting such apartment for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.
11. Corridor doors shall be kept closed at all times except

when actually used for ingress or egress to and from public corridors.

12. The Board shall retain name, address and phone number of a contact person for all units to be used in the event of an emergency.

13. No vehicle belonging to an owner or to a member of the family or guest, tenant or employee of an owner shall be parked in such manner as to impede ready access to any entrance to or exit from the Buildings by another vehicle.

14. Complaints regarding the service of the Buildings shall be made to the Board or to the Board's representative.

15. The laundry and drying apparatus in the laundry rooms in the Buildings shall be used as the Board may direct. Clothes or other articles shall not be dried outside the Buildings or aired on the roof of such Buildings.

16. Owners shall not cause or permit any unusual noise or odors to be produced upon or to emanate from their units.

17. No owner or any of his/her agents, servants, employees, licensees or visitors shall at any time bring into or keep in his or her unit any inflammable, combustible or explosive fluid, material, chemical, or substance except for normal household use.

18. The existing exterior side of all entrance doors to Units shall not be changed without the prior written permission of the Board.

19. The exterior side of windows of all units shall retain a common appearance (aluminum storm windows) and color.

20. If any key or keys are entrusted by an owner or by the owner's representative to an employee of the Board, whether for such owner's unit or automobile or other items of personal property, the acceptance of the key shall be at the sole risk of each owner and neither the Board or the Board's representative shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

21. These rules and regulations may be added to, amended or repealed at any time by resolution of the Board.