

BOOK

CERTIFICATE OF SECRETARY

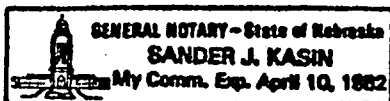
The undersigned, Richard Goldman, Secretary of Blackstone Townhomes Association, Inc., a not for profit corporation duly organized and existing under the laws of the State of Nebraska, hereby certifies that attached hereto as Exhibit A is a true and correct copy of the Certificate of Incorporation of said corporation, together with all amendments thereto to date, and that attached hereto as Exhibit B is a true and correct copy of the by-laws of said corporation together with all amendments thereto to date.

Dated this 26th day of January, 1982.

Richard Goldman
Secretary of
BLACKSTONE TOWNHOMES
ASSOCIATION, INC.

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

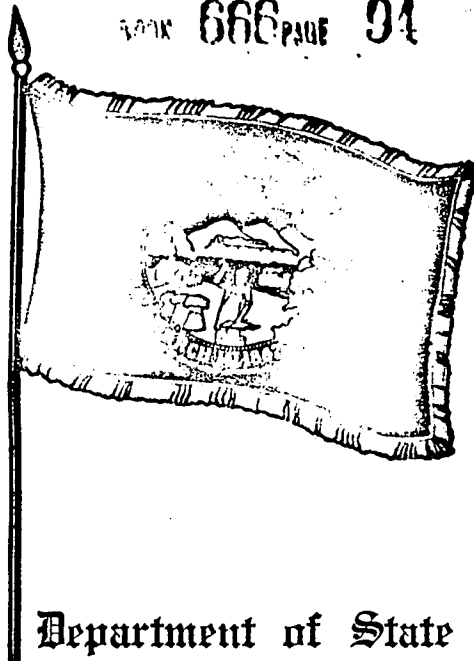
The foregoing instrument was acknowledged before me this 26 day of January, 1982, by Richard Goldman, Secretary of Blackstone Townhomes Association, Inc., a Nebraska not for profit corporation, on behalf of the corporation.



Sander J. Kasin
Notary Public

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STATE OF



NEBRASKA

Department of State

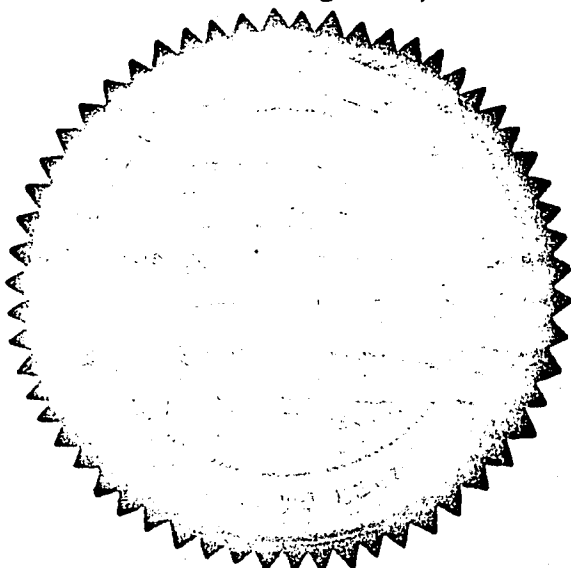
CERTIFICATE OF INCORPORATION

I, Allen J. Beermann, Secretary of State of the State of Nebraska do hereby certify that Articles of Incorporation of

BLACKSTONE TOWNHOMES ASSOCIATION, INC.

whose registered office is located in Omaha, Nebraska, were filed in this office as a nonprofit corporation on September 11, 1981, and recorded on Film Roll No. 81-23 at Page No. 1045, Miscellaneous Incorporations.

In Testimony Whereof,



I have hereunto set my hand and affixed the Great Seal of the State of Nebraska.

Done at Lincoln this

eleventh

day of September in the year of our Lord, one thousand nine hundred and eighty-one.

Allen J. Beermann
SECRETARY OF STATE

DEPUTY

SEP 15 8 43 AM '81

BOOK 253 PAGE 484

STATE OF NEBRASKA } SS
SECRETARY'S OFFICE }
Filed and recorded on film roll
81-23 page 1045

BOOK 666 PAGE 95
ARTICLES OF INCORPORATION
OF

Allen J. Beerstein
Secretary of State
Wesolowski

BLACKSTONE TOWNHOMES ASSOCIATION, INC By

In compliance with the provisions of Section 21-1901 through 21-1991, Reissued Revised Statutes of Nebraska, 1943, as amended, the undersigned persons, each of whom is a resident of the State of Nebraska and of full legal age, acting as incorporators for the purpose of forming a not for profit corporation under the laws of the State of Nebraska, do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation is: BLACKSTONE TOWNHOMES ASSOCIATION, INC. (hereinafter the corporation will be called the "Association").

ARTICLE II

DURATION

The period of duration of the Association shall be perpetual.

ARTICLE III

PURPOSES

The purpose or purposes for which the Association is organized are as follows:

A. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions, Restrictions and Easements for Blackstone Townhomes, Lots 1 through 18 (herein sometimes called the "Declaration") of record, or which will be of record in the office of the Register of Deeds of Douglas County, Nebraska, relating to a residential community project (herein called the "Project") in the City of Omaha, Douglas County, Nebraska, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, specified therein as well as those more fully set forth herein. Terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined.

B. To provide an entity for the furtherance of the interests of the Owners of Lots, as defined in the Declaration, in the Project.

1809

ARTICLE IV

POWERS

In furtherance of its purposes, but not otherwise, the Association shall have the following powers:

A. All Common Law and Statutory Powers. All of the powers conferred upon not for profit corporations by the common law and statutes of the State of Nebraska in effect from time to time.

B. Powers Needed to Effectuate the Declaration. All of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers of the Association under the above-referenced Declaration including without limitation, the following powers:

1. Assessments. To make and collect assessments against Owners for the purposes of defraying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;

2. Common Elements. To manage, control, operate, maintain, repair and improve the Common Properties;

3. Enforce Restrictions, etc. To enforce covenants, restrictions and conditions affecting any property to the extent the Association may be authorized under the Declaration or the By-Laws of the Association and to make and enforce rules and regulations for use of property in the Project;

4. Advance Owners' Interests. To engage in activities which will actively foster, promote and advance the common interests of Owners of Lots; and

5. General. To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized.

6. Powers Not Limited, Restricted. The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article IV are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article IV.

C. Limitations On Powers. Notwithstanding other provisions of this Article IV, unless all of the holders of first mortgages secured by Lots and the owners of at least 75 percent of the Lots

have given their prior written approval, the Association shall not be empowered or entitled to:

1. By act or omission seek to abandon or terminate the Project;
2. By act or omission seek to abandon, partition, subdivide, encumber, sell, transfer or otherwise alienate any of the Common Properties of the Association, except in accordance with By-Law provisions in the event of a taking of Common Properties by right of eminent domain;
3. Use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction; or
4. Amend the By-laws of the Association to change the ratio of assessments against Lot Owners.

ARTICLE V

MEMBERSHIPS

A. Shares; One Class. The Association shall be a membership corporation without certificates or shares of stock. There shall be one class of membership, and there shall be one membership in the Association for the aggregate ownership interest of each Lot. The Declarant named in the Declaration shall have one membership for each Lot owned by it.

B. Voting. Members shall be entitled to one vote for each Lot owned upon all matters upon which members may vote pursuant to these Articles of Incorporation or the By-laws, except as provided in paragraph E of this Article V. If title to any Lot shall be held by two or more co-tenants, each such co-tenant shall be a member of the Association and the vote for such shall be exercised as the co-owners among themselves agree, or in the absence of such agreement, each such co-tenant shall be entitled to vote equal in weight to such co-tenant's percentage of ownership of the Lot. The co-tenant's percentage of ownership of a Lot shall be as determined by the title document of such Lot; in the absence of specific limitation, co-tenants shall be presumed to have equal undivided interests. No person or entity other than an owner of a Lot may be a regular member of the Association.

C. Membership Appurtenant to Lots. A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Lot to which the membership appertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Lot as further security for a loan secured by a lien on such Lot.

D. Transfer. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership appertains, provided, however, that the By-laws of the Association may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of the Association.

E. Suspension of Voting Rights. The Association may suspend the voting rights of a member for failure to comply with rules, regulations, or By-laws of the corporation or for failure to comply with other obligations of the Owners of a Lot under the Declaration, or any agreement created pursuant thereto.

F. By-Laws Applicable to Members' Rights. The By-Laws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the members.

ARTICLE VI

BOARD OF DIRECTORS

The business and affairs of this Association shall be conducted, managed and controlled by its Board of Directors.

A. Number; Terms. The Board of Directors, (hereinafter sometimes called "Board") shall consist of not less than three (3) nor more than eight (8) members, the specified number to be set forth from time to time in the By-Laws of the Association. In the absence of any provisions in the By-Laws, the Board shall consist of three (3) members. In all events, however, the terms of at least one-third (1/3) of the members of the Board shall expire annually.

B. Elected Director to be Owners. Members of the Board of Directors shall be elected in the manner determined by the By-Laws. The persons comprising the Board of Directors shall be natural persons and Owners of Lots, except as provided herein. The initial Directors (named below) need not be Owners either during their initial term or any subsequent term of office.

C. Vacancies. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided in the By-Laws. Any vacancies in the Board of Directors occurring before the first election of Directors by members shall be filled by vote of the remaining Directors.

D. Initial Board. The names and addresses of the following three (3) natural persons over the age of twenty-one years shall comprise the initial Board of Directors and shall serve until the first election of Directors by the members and until their successors are duly elected and qualified:

<u>Name</u>	<u>Address</u>
Sandy Kasin	12019 Pacific Street Omaha, Nebraska 68154
Richard Goldman	12019 Pacific Street Omaha, Nebraska 68154
Thomas E. Whitmore	10838 Old Mill Road, Suite 2 Omaha, Nebraska 68154

ARTICLE VII

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association is located at 10838 Old Mill Road, Omaha, Nebraska 68154, and Thomas E. Whitmore is the registered agent of the Association at such address.

ARTICLE VIII

OFFICERS

The Board of Directors shall at each Annual Meeting of the Directors elect a President of the Association, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board, in accordance with the provisions of the By-Laws, believes will be in the best interest of the Association. The officers shall have such duties as may be prescribed in the By-Laws of the Association and shall serve one year terms from the Annual Meeting of the Directors at the pleasure of the Board of Directors.

ARTICLE IX

CONVEYANCES AND ENCUMBRANCES

Association property may be conveyed or encumbered by authority of the Association and its Board of Directors. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer or executed by such other person or persons to whom such authority may be specifically delegated by the Board.

ARTICLE X

DISSOLUTION

In the event of the dissolution of the Association, either voluntarily by the members, by operation of law or otherwise, the

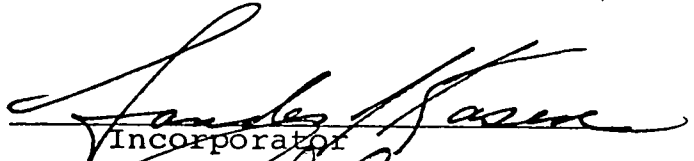
assets of the Association shall be deemed to be owned by the members at the date of dissolution in proportion to each member's ownership of Lots in the Project.

ARTICLE XI

AMENDMENTS

Amendments to these Articles of Incorporation may be adopted in the manner provided in the Nebraska Nonprofit Corporation Act, provided however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provisions of the Declaration.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation this 10th day of September, 1981.


Incorporator


Incorporator

RECORDED
SEPT. 15 1981

... COUNTY, NEBRASKA
... SPELLMAN, COUNTY

8:43 a.m.

EXHIBIT "B"

BY-LAWS
OF
BLACKSTONE TOWNHOMES ASSOCIATION, INC.

ARTICLE I

BY-LAWSSection 1. Description.

These are the By-Laws of Blackstone Townhomes Association, Inc., a Nebraska non-profit corporation with its registered offices at Omaha, Nebraska.

Section 2. Seal.

The corporate seal shall bear the name of the corporation and the words Omaha, Nebraska, Corporate Seal.

Section 3. Membership.

The corporation has been organized to provide a means of management for Blackstone Townhomes, a townhouse development consisting of sixteen (16) townhomes in Omaha, Douglas County, Nebraska. Membership in the Association is automatically granted and restricted to record owners of a Lot(s) in Blackstone Townhomes, as described below, herein sometimes referred to as a "Unit". The votes on behalf of the Unit shall be in person by the record owner thereof, or by proxy, but if a Unit is owned by more than one person or by a corporation or other entity, such vote shall be cast, or proxy executed, by the person named in a certificate signed by all of the owners of the Unit and filed with the Secretary of the Association. Each Unit shall be entitled to one vote.

Section 4. Property Submitted.

Lots 1 through 18, inclusive, Blackstone Townhomes, an addition to the City of Omaha, as surveyed, platted and recorded in Douglas County, Nebraska.

Section 5. Application.

All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of Blackstone Townhomes or of the corporation in any manner are subject to these By-Laws, the Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall

constitute an agreement that these By-Laws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II. UNIT OWNERS.

Section 1. Annual Members' Meetings.

Upon December 31, 1983 or upon the closing of the sale of the 16th Unit by the Blackstone Townhomes Joint Venture (herein referred to as "Developer"), or as soon as the Developer shall voluntarily relinquish control of the Board of Directors, whichever shall first occur, the Developer shall notify all Unit owners thereof and the first annual meeting of the Unit owners shall be held within 30 days thereafter.

At such meeting, the original Board of Directors shall resign as members of the Board of Directors and as officers, and all the Unit owners, including the Developer shall elect a new Board of Directors. Thereafter, the annual meetings of the Unit owners shall be held on the 15th day of January of each year, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the following business day. At such meetings the Board of Directors shall be elected by ballot of the Unit owners in accordance with the requirements of Section 4 of Article III of the By-Laws. So long as the Developer shall own one or more of the Units, the Developer shall be entitled to elect at least one member of the Board of Directors who shall serve for a term of one year. The Unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Special Members' Meetings.

Special meetings of the Association Unit owners may be called by the President or Vice President or by a majority of the Board of Directors and must be called upon receipt of written request from a majority of Unit owners. Notice of a special meeting shall state the time and place of such meeting and the purpose thereof. No business, except that stated in the notice shall be transacted at the special meeting.

Section 3. Place of Meetings.

Meetings of the Association Unit owners shall be held at the registered office of the Developer as long as Developer has elected a member of the Board of Directors, or at such other suitable place convenient to the Unit owners as may be designated by the Board of Directors.

Section 4. Notice of Meetings.

It shall be the duty of the Secretary to mail a written

notice of each annual or special meeting of the Association Unit owners at least ten (10) but not more than twenty (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, at their Unit address 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 by this Section shall be considered service of notice.

Section 5. Quorum.

A quorum for Association Unit owners' meetings shall consist of the presence, in person or by proxy, of a majority of Unit owners, unless otherwise provided in these By-Laws or the Master Deed.

Section 6. 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 vote for 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 of owners so designating. In instances of other than individual ownership, any or all of such owners may be present at any meeting of the Unit owners and (those constituting a group acting unanimously), may vote or take any other action as an individual Unit owner either in person or by proxy. However, no proxy may cast a vote for more than one Unit owner. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Each Unit shall have one vote.

Section 7. 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 in these By-Laws or the Declaration, a higher percentage vote is required.

Section 8. Procedure. The President shall preside over members' meetings and the Secretary shall keep the minute book wherein the resolutions shall be recorded.

Section 9. Adjournment.

If any meeting of the Unit owners cannot be held because a quorum has not attended, a majority of the Unit owners who

are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and Qualification.

The affairs of the Association shall be governed by a Board of Directors of three (3) in number. Until December 31, 1983, or until the closing of the sale of the 16th Unit by Developer, or until the Developer shall voluntarily relinquish its control of the Board of Directors by written notice to all owners of Units, whichever shall first occur, the Developer shall designate all members of the Board of Directors, officers and employees of the Association. Thereafter, the Board of Directors shall be composed of not less than three (3) persons, all of whom shall be Unit owners.

Section 2. Powers and Duties.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things except as by law or by these By-Laws may not be delegated to the Board of Directors by the Unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of the common expenses required for the affairs of the Association and the Blackstone Townhomes, including, without limitation, the operation and maintenance of the Association and the Blackstone Townhomes.
- (c) Collection of the assessments (which for the purpose of these By-Laws shall mean such portion of the common expenses as are payable by the respective Unit owners) from Unit owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas, facilities and property.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Blackstone Townhomes.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Making of repairs, additions and improvements to

or alterations of the Blackstone Townhomes and repairs to and restoration of the Blackstone Townhomes in accordance with the other provisions of these By-Laws and the Declaration.

Section 3. Managing Agent and Manager.

The Board of Directors may employ a managing agent and/or a manager at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

Section 4. Election and Term.

At the first annual meeting of the Association Unit owners, the members of the Board of Directors shall be elected to serve until the next annual meeting of the Association Unit owners. Each Director shall be elected thereafter to serve a term of one (1) year or until his successor shall have been duly elected by the Association Unit owners. The initial Board of Directors shall hold office until the first annual meeting of the owners.

Section 5. Removal of Directors.

After the Developer has relinquished control of the Board of Directors, at any regular or special meeting of Association Unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority vote of the owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any members of the Board of Directors whose removal has been proposed by the Association Unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies.

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

Section 7. Annual Board Meeting.

The annual meeting of the members of the Board of

Directors shall be held immediately following the annual meeting of the Association Unit owners, at such time and place as shall be fixed by the Association Unit owners at the meeting at which such Board of Directors shall have been elected. No notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors but at least two such meetings shall be held during each calendar year, in addition to the annual meeting. Notice of regular meetings of the Board of Directors 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 Board Meetings.

Special meetings of the Board of Directors may be called by the President upon five (5) business days' notice to each member of the Board, given by mail, or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and like notice on the written request of at least three (3) members of the Board of Directors unless there are less than three (3) members, in which event, upon the written request of the one or two remaining members.

Section 10. Waiver of Notice.

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

Section 11. Quorum.

At all meetings of the Board of Directors 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 of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors

there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjournment at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds.

The Board of Directors shall obtain adequate fidelity bonds for all officers, employees, and themselves, if necessary, of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation.

No members of the Board of Directors shall receive any compensation from the Association for acting as such; provided, however, members of the Board of Directors shall receive reimbursement for expenses actually incurred. A Director may be an employee of the Association, and a contract for management of the Blackstone Townhomes may be entered into with a Director.

Section 14. Liability.

The members of the Board of Directors shall not be liable to the Unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit owners shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder. The liability of any Unit owner arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board shall be limited to one sixteenth (1/16) of the total liability thereunder.

ARTICLE IV. OFFICERS

Section 1. Designation.

The officers of the Association shall consist of a Pre-

sident, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors, and such additional officers as the Directors shall from time to time deem necessary. Any person may hold two or more offices, but no one person shall hold the offices of President and Secretary simultaneously. Members of the Board of Directors may also be officers. The President shall be elected from the members of the Board of Directors.

Section 2. Election.

The officers of the Association shall be elected annually by a majority vote of the Board of Directors at the annual Board meeting, and shall hold office at the pleasure of the Board.

Section 3. Removal.

Upon the affirmative vote of a majority of the Board of Directors, any officer may be removed, with or without cause, and his successor shall be elected at any regular, annual, or special meeting of the Board called for that purpose.

Section 4. President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association Unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the laws of Nebraska, including but not limited to, the power to appoint committees from among the Unit owners from time to time as he may at his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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 of Directors shall appoint some other member of the Board of Directors to act in 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 of Directors or by the President.

Section 6. Secretary.

The Secretary shall take the minutes of all meetings of the Association Unit owners and of the Board of Directors

and shall keep same at the principal office of the Association unless otherwise instructed by the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of the secretary of a corporation organized under the laws of the State of Nebraska.

Section 7. Treasurer.

The Treasurer shall have the responsibility for Association 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 data. He shall be responsible for the depository of all monies and other valuable effects in the name of the Board of Directors or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of the State of Nebraska.

Section 8. Compensation.

No officer shall receive any compensation from the Association for acting as such.

Section 9. Agreements, Contracts, Etc.

All agreements, checks, contracts and other instruments shall be signed by two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

ARTICLE V. BUDGET AND ASSESSMENTS.

Section 1. Budget.

The Board of Directors shall adopt a budget for each calendar year, which shall include the estimate of funds required to defray common expenses in the coming calendar year and to provide funds for current expenses, reserves to provide a working fund or to meet anticipated losses, and such sums as needed to make up any deficit in the common expense assessments for prior years. Common expenses shall mean and refer to expenses of the Association necessary to maintain the Common Properties, and, whether on Common Properties or on one or more Lots, expenses incurred in the maintenance and repair of the exterior of any Unit the maintenance and repair of the driveway and parking areas, snow removal, care and maintenance of landscaping, lawn and yards, if any, open spaces and other common facilities, the

care and maintenance of the "private improvements" as set forth and defined in a certain Subdivision Agreement between the City of Omaha, Blackstone Townhomes Joint Venture, and the Association, and the providing of insurance on the Common Properties and the Units. Where no provision is applicable, the discretion of the Board of Directors shall control. The budget shall be adopted in November of each year in advance of the coming calendar year and copies of the budget and the annual assessments for each Unit shall be sent to each Unit owner on or before the December 31 proceeding the calendar year for which the budget is made.

Budgets may be amended during a current calendar year where necessary, but copies of the amended budget and proposed increase or decrease in assessments shall be mailed to each Unit owner prior to the effective date of such increase or decrease.

Section 2. Annual Assessments.

The first annual assessment shall be levied against each Unit and the owner thereof on January 1, 1984, or any preceding January 1 if Developer has previously relinquished control of the Association. The annual assessment shall be divided as evenly into twelve (12) monthly payments as possible with the first payment to include the remainder after division. These monthly payments shall become due and payable upon the 1st of January and the 1st of each month thereafter during the calendar year. Annual assessments for each calendar year thereafter shall be levied and shall become due and payable in the same manner. Annual assessments to be levied against each Unit and the owner therefor shall be one-sixteenth (1/16) of the total annual budget for the calendar year.

Section 3. Interim Assessments.

Until January 1, 1984, or until the first levy of annual assessments according to Section 2 of Article V herein, whichever shall first occur, an interim assessment of \$ 40.00 shall be due and payable on the first day of each calendar month by the respective Unit owners.

The purchaser of a Unit shall pay to the Association, on the date of closing, the pro-rata amount of the interim assessment due in the month of closing, plus the interim assessment for the next full month. Thereafter interim assessments shall become due and payable upon the first day of each calendar month.

The provisions set forth in this Section 3 of Article V shall not apply to Developer with respect to Units owned by

Developer subject to Developer paying each month the difference between the monthly interim assessments to be paid by Unit owners other than Developer and the total operating expenses for said month necessary to operate the Association.

Section 4. Increases in Interim Assessments.

Interim assessments in the amounts shown in Section 3 of Article V shall not be increased more than fifteen percent (15%) above the level of the immediately preceding year.

Section 5. Special Assessments.

Special assessments may be assessed and levied against each Unit, in addition to the annual or interim assessments provided for above, during any assessment year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, improvement, repair or replacement of a capital improvement of the common elements, including fixtures and personal property, subject to the owner approval provisions of the Declaration of and these By-Laws.

Special assessments shall be due and payable thirty (30) days after the assessment is levied against the owners of the Units and notice thereof has been given, and special assessments not paid within thirty (30) days thereafter shall be treated according to the interest and lien provisions hereafter.

Special assessments to be levied against each Unit and the owner thereof shall be one-sixteenth (1/16) of the total special assessments.

Section 6. Escrow of Assessments.

The Board of Directors of the Association may arrange to have all assessments in Section 4 or Section 5 of Article V paid to an escrow fund to be held and managed by a bank or savings and loan association.

Section 7. Personal Assessment Liability.

Each Unit owner or, if more than one, Unit owners, jointly and severally, shall be personally liable for the payment of assessments under the preceding Sections. Upon the expiration of thirty (30) days from the due date of an assessment, if said assessment remains unpaid, the Association may bring suit against the owner or owners of said Unit for

recovery of the same. If the assessment is a monthly installment of an annual assessment, the default in payment of one installment when due, may, at the option of the Association, cause the remainder of the installments due for that annual period to become immediately due and payable. The defaulting Unit owner shall be liable for the unpaid assessment or assessments, interest thereon from the due date to the date paid at the highest rate of interest at which individuals may contract in Nebraska, and attorney fees and expenses incurred in the collection of the same. No proceeding to collect defaulted assessments pursuant to this Section shall constitute a waiver of the lien of the Association against said defaulting owner's Unit nor a waiver of the right of the Association to foreclose thereon.

The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter up to the time of the grantor conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

The provisions set forth in this Section shall not apply to the initial sales and conveyance of the Units made by Developer, and such sales shall be free from all assessments to the date of conveyance.

Section 8. Assessment Lien.

If any Unit owner shall fail or refuse to make any payment of an assessment when due, the amount thereof shall constitute a lien on the interest of the Unit owner in his Unit and the Board of Directors may record such lien in the Office of the Register of Deeds of Douglas County, Nebraska; whereupon, said lien shall be privileged over and prior to all liens and encumbrances except assessments, liens and charges for taxes past due and unpaid on the Unit and except prior duly recorded mortgage and lien instruments. Assessments delinquent more than ten (10) days after the due date shall bear interest at the highest rate at which individuals may contract in Nebraska from the due date until paid. The delinquency of one installment of an annual assessment shall cause all remaining installments, at the option of the Association, to immediately become due and payable.

Section 9. Statement of Unpaid Assessments.

Upon payment of a reasonable fee, not to exceed Ten Dollars (\$10.00), and upon the written request of any owner, prospective purchaser or of any mortgagee of a Unit, the Board of Directors, or the Managing Agent, shall issue a written statement setting forth the amount of the unpaid

assessments, if any, with respect to the subject Unit, the amount of the current periodic assessment and the date that such assessment becomes due, any penalties due, and credit for advance payments or for prepaid items, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith.

Section 10. Nonwaiver.

The omission or failure to timely fix any assessments or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

Section 11. Foreclosure of Liens for Unpaid Common Expenses.

In any action brought by the Board of Directors to foreclose a lien on a Unit because of unpaid common expenses, the Board of Directors, acting on behalf of all owners, shall have power to purchase such Unit at the foreclosure sale, and to acquire, hold, lease, mortgage, vote the vote appurtenant to, convey, or otherwise deal with the same, all costs incurred, including the cost to purchase, constituting a common expense. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

ARTICLE VI. INSURANCE.

Insurance shall be obtained and maintained and the proceeds thereof disposed of by the Association as follows:

Section 1. Coverage.

The Association shall obtain and maintain in effect for the improvements upon The Properties, one or more policies of insurance against the perils of fire, lightning, malicious mischief and vandalism with extended coverage in amounts equivalent to the full replacement costs of the Properties and the improvements thereon (Living Units), to provide for the restoration thereof to tenable condition in the event of damage (but not including furniture, furnishings, or other personal property supplied or installed by Unit owners), without deduction for depreciation. This policy or policies shall be written in the name and proceeds thereof shall be payable to, the Association, for each of the Unit owners and the respective mortgagees of the Unit owners. All proceeds of any insurance shall be used to restore the improvements

on The Properties to their condition prior to any loss. The Association shall obtain and maintain in effect public liability insurance in such limits as determined by the Board of Directors covering The Properties with the Association, Board, its employees and agents, and Owners, as insureds. The Association shall also obtain and maintain workmen's compensation coverage and such other coverage as determined by the Board. Insurance premiums shall be deemed a common expense. Each Unit owner may obtain additional insurance at his expense provided that all policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by a Unit owner.

Section 2. Valuation and Coverage Amount.

Prior to obtaining any policy of physical damage insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from a casualty company or otherwise of the full replacement of the improvements on The Properties, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be effective pursuant to this Article.

Section 3. Liability of Board.

The Board of Directors shall not be liable to any party upon the amount of insurance coverage obtained in settlement of the insurance claim nor the application of the insurance proceeds, except in the event of loss arising from its gross negligence or willful misconduct.

ARTICLE VII. MAINTENANCE AND ALTERATIONS

Section 1. Maintenance.

The Unit owner shall have the obligation to maintain and keep in good repair the interior of his Unit. An owner shall not be solely responsible for repair to common elements by casualty, or property to be repaired by common expense by casualty, unless such casualty is due to the act or negligence of the owner, his guests, invitees, or tenants. All maintenance, including lawn maintenance and snow removal, repairs and replacements to the common and exterior of the Unit, elements shall be made by the Association and be charged to all Unit owners as a common expense, unless such maintenance, repair, or replacement is necessitated by the negligence, misuse or neglect of a Unit owner, in which case, such expense shall be charged to such Unit owner.

Section 2. Alterations by Unit Owner.

No Unit owner shall make any exterior structural addition, alteration or improvement in or to his Unit, including any exterior painting or exterior alteration or addition (including awnings, grills, skylights etc.) without the prior written consent thereto of the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a Unit owner for approval of a proposed structural addition, alteration or improvement in such owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement.

Section 3. Decks and Porches.

A deck or porch to which a Unit has sole access shall be for the exclusive use of the owner of said Unit. Such Unit owner shall keep such areas free and clear of snow, ice, any accumulation of water, waste, debris, dirt, and shall make all repairs thereto resulting from his negligence, misuse or neglect. All other repairs in, to or with respect to such area shall be a common expense.

ARTICLE VIII. RESTRICTIONS AND RESERVATIONS.Section 1. Use Restrictions.

Inorder to provide for congenial occupancy of the Blackstone Townhomes and for the protection of the value of the Units, the use of the Units and Blackstone Townhomes shall be restricted to and shall be in accordance with the following provisions:

(a) The Units shall be used for residences only by the owner or owners thereof, their families, guests, invitees, lessees and licensees.

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

(c) No nuisance shall be allowed in the Blackstone Townhomes or Units 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 Blackstone Townhomes or Units.

(d) No improper, offensive or unlawful use shall be made of the Blackstone Townhomes or Units and all valid laws, zoning laws and regulations of all governmental

bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Blackstone Townhomes or Units shall be corrected, by and at the sole expense of the Unit owners or the Board of Directors whichever shall have the obligation to maintain or repair such portion.

Section 2. Rules of Conduct.

Rules and regulations concerning the use of the Units and the common areas and facilities may be promulgated and amended by the Board of Directors with the approval of a majority of the Unit owners. Copies of such rules and regulations shall be furnished by the Board of Directors to each Unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Directors with the approval of a majority of the Unit owners, are annexed hereto, marked Exhibit "2", and made a part hereof. Certain restrictions on use are provided in the Declaration.

Section 3. Right of Access.

A Unit owner shall grant a right of access to his Unit to the manager and/or managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a common area or facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other facilities in his Unit or elsewhere, or for setting or maintenance of the sprinkler system, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit owner. In case of an emergency, such right of entry shall be immediate, whether the Unit owner is present at the time or not.

Section 4. Abatement and Enjoining of Violations.

The violation of any rule or regulation adopted by the Board of Directors or the breach of any of these By-Laws contained herein, shall give the Board of Directors the following rights, in addition to any other rights set forth in these By-Laws:

(a) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(b) To deny partially or wholly access to, benefit from, or use of all or any facilities, functions, or services, or suspend, partly or wholly of all or any rights or privileges of membership or any other disciplinary action directed by the Board of Directors.

ARTICLE IV. MORTGAGES

Section 1. Notice to Board of Directors.

A Unit owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Default.

The Board of Directors, when giving notice to a Unit owner of a default in paying assessments or other defaults, 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 of Directors.

Section 3. Examination of Books.

Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once every three (3) months.

ARTICLE X. AMENDMENT.

Section 1. Amendment of Owners.

There shall be no amendment to these By-Laws unless owners of sixty-six and two-thirds percent (66 2/3%) or more of the Units shall have voted therefor in the affirmative at a special or annual meeting.

Section 2. Amendment By Developer.

Anything contained in these By-Laws or Articles of Incorporation to the contrary notwithstanding, until December 31, 1983, or until the sale of the 16th Unit by Developer, or until Developer releases control of the Association, whichever first occurs, Developer reserves the right to supplement or amend these By-Laws for clarification, correction or otherwise in the best interests of all Unit owners, including Developer.

ARTICLE XI. RECORDS.

Section 1. Records and Audit.

The Board of Directors or the managing agent shall keep

detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of Unit owners, and financial records and books of account of the Corporation, 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 charges 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 corporation shall be rendered by the Board of Directors to all Unit owners at least semi-annually. In addition, an annual report of the receipts and expenditures of the corporation certified by an independent certified public accountant, shall be rendered by the Board of Directors to all Unit owners and to all mortgagees of Units who have requested the same, promptly after the end of each calendar year.

ARTICLE XII. MISCELLANEOUS.

Section 1. Notices.

All notices hereunder shall be sent by registered or certified mail to the Board of Directors c/o the managing agent, or if there is no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all Unit owners and to all mortgagees of Units. All notices to any Unit owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time in writing to the Board of Directors. 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 the By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

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 By-Laws, or the intent of any provisions thereof.

Section 4. Gender.

The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the

use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Nonwaiver.

No restrictions, conditions, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches thereof which may occur.

EXHIBIT "2"

RULES AND REGULATIONS
OF
BLACKSTONE TOWNHOMES ASSOCIATION, INC.

A. TOWNHOMES AND COMMON AREAS.

1. No part of the Blackstone Townhomes property shall be used for any purposes except housing and the common recreational purposes for which the property was designed. Each townhouse shall be used as a residence for a single family, its guests, invitees, lessees and licensees.
2. There shall be no obstruction of the common areas nor shall anything be stored in or on the common areas or other property without the prior consent of the Board of Directors except as herein or in the By-Laws, or the Covenants, Conditions, Restrictions and Easements, expressly provided.
3. Nothing shall be done or kept in any townhouse or in the common areas which will increase the rate of insurance of any of the buildings or contents thereof applicable for residential use without the prior written consent of the Board of Directors. No townhouse owner shall permit anything to be done, or kept in his townhouse, or in the common areas which will result in the cancellation of insurance on any of the buildings, or contents thereof, or which would be in violation of any law.
4. No owner shall cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a building and no sign, awning, canopy, shutter or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof, or exposed on or at any window, without the prior consent of the Board of Directors.
5. No townhouse owner shall make or permit any disturbing noises in his townhouse or within the common area, or do or permit anything to be done which will interfere with the rights and reasonable comfort and convenience of other owners.
6. Nothing shall be done in any townhouse, or in, on or to the common area which will impair the structural integrity of any building or which would structurally change any of the buildings.
7. No clothes, sheets, blankets, or any kind of other articles shall be hung out of a townhouse or exposed on any part of the common area. The common area shall be kept free and clear of all destruction and unsightly materials.

8. Except in recreational or storage areas designated as such by the Board of Directors, there shall be no playing, lounging, or parking of baby carriages, playpens, bicycles, wagons, toys, vehicles, benches, or chairs on any part of the common area or the townhouses.

9. "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising shall not be maintained or permitted on any part of the property or any townhouse therein nor shall any townhouse be used or rented for transient, hotel or motel purposes; provided, however, that the right is reserved by the Developer, or its agents, to place, "For Sale", "For Rent", or "For Lease" signs on any unsold or unoccupied townhouse. The Developer reserves the right to carry on its townhouse sales activities on the property. At such time as the Developer no longer has any Blackstone townhouses for sale, "For Sale" signs shall be permitted.

10. Each townhouse owner shall keep his townhouse and the appurtenant balcony, deck, porch or patio, if any, in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom any dirt or other substance. Each townhouse owner shall be obligated to maintain and keep in good order and repair his own townhouse in accordance with the provisions of the By-Laws and the Covenants, Conditions, Restrictions and Easements.

11. No incinerator or trash burner shall be permitted on the properties. No garbage or trash can or container or fuel tank shall be permitted to remain outside of any townhouse, except after 8:00 p.m. the evening before the scheduled garbage pickup, provided said garbage or trash can or container is back inside the townhouse by 6:00 p.m. the day of pickup. No garage door shall be permitted to remain open except when entry to and exit from the garage are required.

12. All radio, television or other electrical equipment of any kind or nature installed or used in each townhouse shall fully comply with all rules, regulations and requirements of the public authorities having jurisdiction of the townhouse. Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such owner's townhouse.

13. No townhouse owner or any of his agents, guests, employees, licensees or family shall at any time bring into or keep in his townhouse any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

14. The agents of the Board of Directors or the managing agent, and any contractor or workmen authorized by the Board of Directors or the managing agent, may enter any townhouse

in the buildings at any reasonable hour of the day after notification (except in case of emergency, in which case such right of entry shall be immediate whether the townhouse owner is present at the time or not) for the purpose of making inspections or for the purpose of correcting any condition originating in his townhouse or threatening another townhouse or a common area, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical surfaces in his townhouse.

B. GARAGES AND PARKING

1. All guests of townhouse owners shall park only in the areas designated for such purpose.

2. No vehicle belonging to a townhouse owner or to a member of the family, or guest, tenant or employee of a townhouse owner may be parked in such a manner as to impede or prevent ready movement by another vehicle.

3. The parking areas are for automobiles only. Parking is permitted only in areas so designated.

4. Repairing or overhauling of automobiles or any other vehicle on the premises is not permitted.

5. All vehicles of owners and members of their immediate family, while on the properties, shall be parked in the respective owner's garage or on the street. Parking areas provided on the common properties, if any, are to be used for guest parking only.

C. PETS

1. All pets must be under leash control when outside the townhouse, and the pet may not be tethered outside the townhouse, nor on the property outside the townhouse.

D. GROUNDS

1. There shall be no littering of the property.

2. No tree climbing or any other act that may cause damage to a tree or shrub shall be permitted on the property.

3. No activity that may be offensive or disturbing to the rights and reasonable comfort and convenience of other owners shall be carried out on the property.

YOUR ATTENTION IS DIRECTED TO THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR BLACKSTONE TOWNHOMES, WHEREIN CERTAIN COMMON USE RESTRICTIONS ARE SET FORTH.

37 Apr

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C. HAROLD OSTLER
REGISTER OF DEEDS
DOUGLAS COUNTY, WISCONSIN

BOOK 666
PAGE 122
BY: [Signature]

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