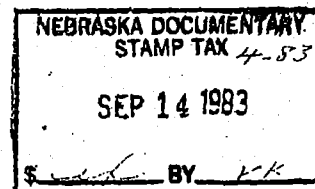


MASTER DEED  
CREATING  
PICKARD SCHOOL SQUARE  
CONDOMINIUM PROPERTY REGIME



THIS MASTER DEED AND DECLARATION made this 31 day of August, 1983, by RESTORERS, INC., a Nebraska corporation, herein called "Developer", for itself, its successors, grantees and assigns:

I. PURPOSE AND NAME

The purpose of this Master Deed is to submit the lands herein described and the improvements thereon to the condominium form of ownership and use in the manner provided by Sections 76-801 through 76-823, R.R.S. Nebraska (herein called "Condominium Act"), and the name by which this condominium is to be identified is the Pickard School Square Condominium Property Regime.

II. INVOLVED PROPERTY

The lands owned by the Developer which are hereby submitted to the condominium regime are described as follows:

Lots 1, 11 and that part Lot 10, Pickard School Square, an addition to the City of Omaha, Douglas County, Nebraska, described as follows: Beginning at the southwest corner of said Lot 10; thence N0°0'33"E (bearings based on Pickard School Square recorded plat) for 130.25 feet to the north-west corner of said Lot 10; thence S89°46'04"E for 26.74 feet to the northeast corner of said Lot 10; thence S0°0'0"E for 130.26 feet along the east line of said Lot 10 to the south line of said Lot 10; thence N89°46'04" W for 26.74 feet to the point of beginning.

The property is subject to easements and restrictions of record, including but not limited to, Declaration of Easement dated August 31, 1983 and recorded at Book 696, Page 440, of the records of the Register of Deeds of Douglas County, Nebraska.

III. DEFINITIONS

The definitions set forth in Section 76-802, R.R.S. Nebraska shall govern this Master Deed and the attached By-Laws.

IV. DESCRIPTION OF REGIME

The condominium will consist of two buildings as described on Exhibit "A", attached hereto and situated as follows: One building containing ten (10) apartments, which may only be used for residential purposes; and one building containing ten (10) garages, which may only be used for parking of vehicles. The condominium will also include a parking area, grounds and landscaping. The total ground floor area of the residential building is 5,755 square feet, and the total ground floor area of the parking garage is 2,422 square feet, and the total land area aggregates 36,736 square feet. Said buildings and improvements together with their location on the land and the area and location of each apartment are more particularly described in the building plans which are attached hereto as Exhibit "B".

V. GENERAL COMMON ELEMENTS

"General Common Elements" shall include: the land on which the building stands, including all the surrounding

lands embraced within the legal description specified in Paragraph II above; all exterior surfaces of the building except for screening, window glass and exterior doors; exterior water taps which may be used by the owners Association for watering and maintenance of common areas; the foundation, common walls, crawl space, structural walls, roofs, yards and gardens, drives, walks, parking areas; hallways and storage areas adjacent to apartments 3, 4, 5 and 6, all heat ventilation and air conditioning service lines and duct work located within the common elements to the point where they first enter the air space or fixtures constituting a part of the apartment; all utility service lines including meters located within the common elements to the point where they first enter the air-space or fixtures constituting a part of the apartment; and all parts of the property and improvements which are not located within the apartments or denoted as "limited common elements" as shown on the attached plans. Air conditioning compressors or units are not common elements, but are a part of each apartment and shall be maintained and replaced as needed by each owner.

#### VI. LIMITED COMMON ELEMENTS

The limited common elements consist generally of those areas to which only certain apartments are to have access or exclusive use, specifically:

- (a) Decks contiguous to apartments 1,2,4,6,8,9,10 and the foyer situated directly outside the main entrance of each apartment shall be deemed limited common element for the exclusive use of owner and occupants of owner which has sole access to such deck or foyer.
- (b) Storage areas in the lower level of the residential building have been assigned to each apartment; such assigned area shall be for the sole and exclusive use of the owner or occupant of the owner of the apartment to which such space has been assigned.
- (c) The garage building has been divided into ten (10) separate enclosed parking spaces. Each apartment has been assigned one (1) parking space in the garage building, which parking space shall constitute a limited common element for the exclusive use of the owner or the occupant of owner of the apartment to which such parking space has been assigned. The enclosed parking spaces shown on Exhibit "A", Sheet 2, and the assigned numbered parking space shall have the same number as the apartment to which is has been assigned. The parking space in the garage building shall be deemed permanent and become appurtenant to the apartment to which it has been assigned.

#### VII. EXTERIOR REPAIR

Each owner shall be responsible for the repair, maintenance, and replacement of all exterior doors, decks, windows and screens appurtenant to said owner's apartment; it being understood that the only Association maintenance of exterior doors and decks shall be the painting or finishing of the exterior surfaces thereof. If any owner fails to repair, maintain or replace the exterior portions of his apartment as set forth in this Master Deed and the By-Laws described below, the Association may perform such work, invoice the

owner therefor and secure and enforce a claim and lien therefor against the owner and his unit in like manner as a delinquent assessment for common element or limited common element expense.

#### VIII. VALUES

The total value of the entire condominium regime is Five Hundred Fifty-six Thousand, Five Hundred Dollars (\$556,500.00), and the basic value of each unit together with its street address, a general description thereof, its square footage, its limited common elements, its percentage share of the expenses and ownership of the common elements and the number of votes incident to ownership of such unit, are all set forth in Exhibit "C", attached hereto and by this reference made a part hereof.

#### IX. COVENANTS, CONDITIONS AND RESTRICTIONS

The following covenants, conditions, and restrictions relating to this condominium regime shall run with the land and bind all owners, tenants of such owners, employees and any other persons who use the property, including the persons who acquire the interest of any owner through foreclosure, enforcement of any lien or otherwise:

a. The Pickard School Square Association, Inc., a Nebraska non-profit corporation, has been incorporated to provide a vehicle for the management of the condominium. Each owner shall automatically be deemed a member of said Association. The By-Laws of said Association are also the By-Laws of this condominium regime and are attached hereto as Exhibit "D".

b. All general common elements are for the use and enjoyment of all owners. The limited common elements are for the exclusive use of the owner of the unit to which they are appurtenant, his family, guests, servants and invitees. The ownership of the common elements shall remain undivided, and no person or owner shall bring any action for the partition or division of the common elements. The Board of Administrators of the Association shall from time to time establish rules and regulations for the use of the common elements, and all owners and users shall be bound thereby. The Board of Administrators of the Association shall have the sole jurisdiction over and responsibility for alterations, improvements, repairs and maintenance of the common elements. The share of an owner in the common elements is appurtenant to his apartment and inseparable from apartment ownership. Assessments against owners for insurance, common element expenses and reserves, and for other expenses incurred by the Association shall be made pursuant to the By-Laws. Assessments paid within thirty (30) days after the date when due shall not bear interest, but all sums not paid within said thirty (30) day period shall bear interest at the highest legal rate chargeable to individuals in Nebraska from the due date until paid. If any owner shall fail or refuse to make any payment of such assessments when due, the amount thereof plus interest shall constitute a lien upon the owner's interest in his unit and in the property, and upon the recording of such lien by the Association in the Office of the Register of Deeds of Douglas County, Nebraska, such amount shall constitute a lien prior and preferred over all other 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.

c. Each owner shall be responsible:

(1) To maintain, repair and replace, at his expense, all portions of his apartment which are not included in the definition of general or limited common elements.

(2) To refrain from painting, decorating or changing the appearance of any portion of the exterior of the unit building, whether a part of the common elements, the limited common elements, or his apartment, unless approved by the Association in writing.

d. Each apartment shall be used and occupied only as a single family residence and for no other purpose. This restriction shall not apply to units owned by Developer and used as "model" units or sales offices for sales purposes. No apartment may be subdivided into a smaller apartment nor any portion thereof be sold or transferred without the owner thereof first amending this Master Deed.

e. No practice or use shall be permitted on the condominium property or in any apartment which shall be an annoyance to other owners or residents of the area or which shall interfere with their peaceful use and enjoyment of their property. All portions of the property and of the apartments shall be kept clean and sanitary and no use thereof shall be made which constitutes a violation of any laws, zoning ordinances, governmental regulations or regulations of the Association.

f. Owners representing seventy-five percent (75%) or more of the total basic value of the condominium, as reflected in Paragraph VIII of this Master Deed, may at any time in writing duly acknowledged and recorded, effect an amendment to this Master Deed and to the By-Laws and plans attached hereto; provided that such modification shall not be binding upon any existing mortgage holders of record unless said modification has the approval of all first mortgagees of record upon the date of adoption of said modification.

g. This condominium regime may be terminated, waived, or merged with another duly constituted condominium property regime only in accordance with the provision applicable thereto as provided in the By-Laws attached hereto as Exhibit "D".

h. Household pets within the condominium will be subject to regulation, restriction, exclusion or special fees as may be determined by the Board of Administrators of the Association from time to time. Awnings, outside T.V. antenna, storage of boats, campers, trailers or similar items shall all be subject to regulations, restrictions, exclusion or special fees by the Board of Administrators of the Association. Use of the common elements for other than recreational purposes is prohibited. The keeping of livestock or poultry upon the common elements, limited common elements or in any unit is prohibited. Trash receptacles are to be permitted outside only in areas designated therefor by the Board of Administrators of the Association. Private barbecue grills may not be used in the general common areas, and outside use or storage of barbecue grills will be subject to regulations, restriction or exclusion by the Board of Administrators of the Association. Automobile parking will be subject to regulation and restriction by the Board of Administrators of the Association. Any special fees required by the Association Rules and Regulations, duly enacted,

shall be collected as determined by the Board of Administrators.

i. Lot 11 and that part Lot 10, Pickard School Square, an Addition to the City of Omaha, Douglas County, Nebraska, described as follows: Beginning at the southwest corner of said Lot 10; thence N0°0'33"E (bearings based on Pickard School Square recorded plat) for 130.25 feet to the northwest corner of said Lot 10; thence S89°46'04"E for 26.74 feet to the northeast corner of said Lot 10; thence S0°0'0"E for 130.26 feet along the east line of said Lot 10 to the south line of said Lot 10; thence N89°46'04"W for 126.76 feet to the point of beginning are to be used for planting and landscaping purposes only. Said area shall be used for the benefit of each owner. The Board of Administrators of the Association shall be responsible for the maintenance, repair, planting and upkeep of Lots 11 and that part of Lot 10 as above described.

#### X. SEPARATE TAXATION

Developer shall give written notice to the County Assessor of the creation of the condominium property regime so that each apartment thereto, shall be deemed a parcel and subject to separate assessment and taxation.

#### XI. EASEMENTS

Easements are hereby reserved and granted from and to Developer and each owner of a condominium unit for encroachment if any part of a condominium unit encroaches upon any other unit, the limited common elements, or the common elements or if any such encroachment shall hereafter occur due to the settling or shifting of a building or for any other reason, or if such building is repaired or rebuilt after damage or destruction. The Association shall have an easement in and upon each apartment for the performance of repairs upon the common elements of the limited common elements, and for emergency repairs to any part of the condominium property. Each of Association, Northwestern Bell Telephone Company, Metropolitan Utilities District, Omaha Public Power District, City of Omaha and their respective assigns and successors will have an easement, together with rights of egress, ingress and other access thereto, for purposes of constructing, installing, maintaining, operating, renewing, or repairing their respective private sewer, telephone, common television antennae, cable television system, security system, gas, water, electric, public sewer, or other utility conduits, lines, or other facilities in, over, under, and upon such strip or strips of the common ground or of any apartment unit as confined to noninterference with any driveway, sidewalk, or structural element of any apartment unit; each apartment owner will have a general easement, together with rights of egress, ingress, and other access thereto, for purposes of passing between any part of the common elements and any public sidewalk or street.

#### XII. RESERVATION OF EASEMENTS

The land ("Land") which is the subject matter of this Master Deed is included in the legal description set forth in Paragraph II above. Lots 2 - 9, inclusive, Pickard School Square, an Addition to the City of Omaha, Douglas County, Nebraska, shall be referred to herein as the "Adjoining Land". Developer hereby reserves in this Master Deed perpetual easements for egress and ingress over the Land, running to the benefit of the Adjoining Land for the purpose of serving as egress and ingress on the Adjoining Land. Developer hereto reserves the Master Deed easements on the

Land for the purpose of installing, constructing, replacing, repairing and maintaining all utility lines constructed from the Adjoining Land across any portion of the Land, said utility lines to include, but not be limited to the following, underground electrical, water lines, gas lines, sanitary sewer lines, storm sewer lines, telephone lines, cable television lines and any other utility lines. Said utility easements shall not unreasonably interfere with the construction of any building constructed on the Land and any damage to the Land because of the installation, construction, replacement, repair or maintenance of the utility lines on the Land shall be paid by the owner of the Adjoining Land.

XIII. NOTICES AND REQUESTS

All notices required or permitted hereby shall be in writing and sent in the manner proscribed in Section 1 of Article XIV of the By-Laws attached hereto, by certified or registered mail, return receipt requested.

EXECUTED the date first above written.

RESTORERS, INC., A Nebraska corporation

Attest:

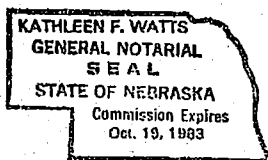
To Hadlee M. Seldin  
Secretary

By Sarah N. Seldin  
President

STATE OF NEBRASKA     )  
                                  ) ss.  
COUNTY OF DOUGLAS    )

On this 31 day of August, 1983, before me, a Notary Public duly commissioned and qualified in and for said County, personally came SARAH N. SELDIN, President of RESTORERS, INC., to me personally known to be the President and identical person who signed the foregoing instrument, and acknowledged the execution thereof to be her voluntary act and deed as such officer and the voluntary act and deed of said corporation.

Witness my hand and Notarial Seal the day and year last above written.



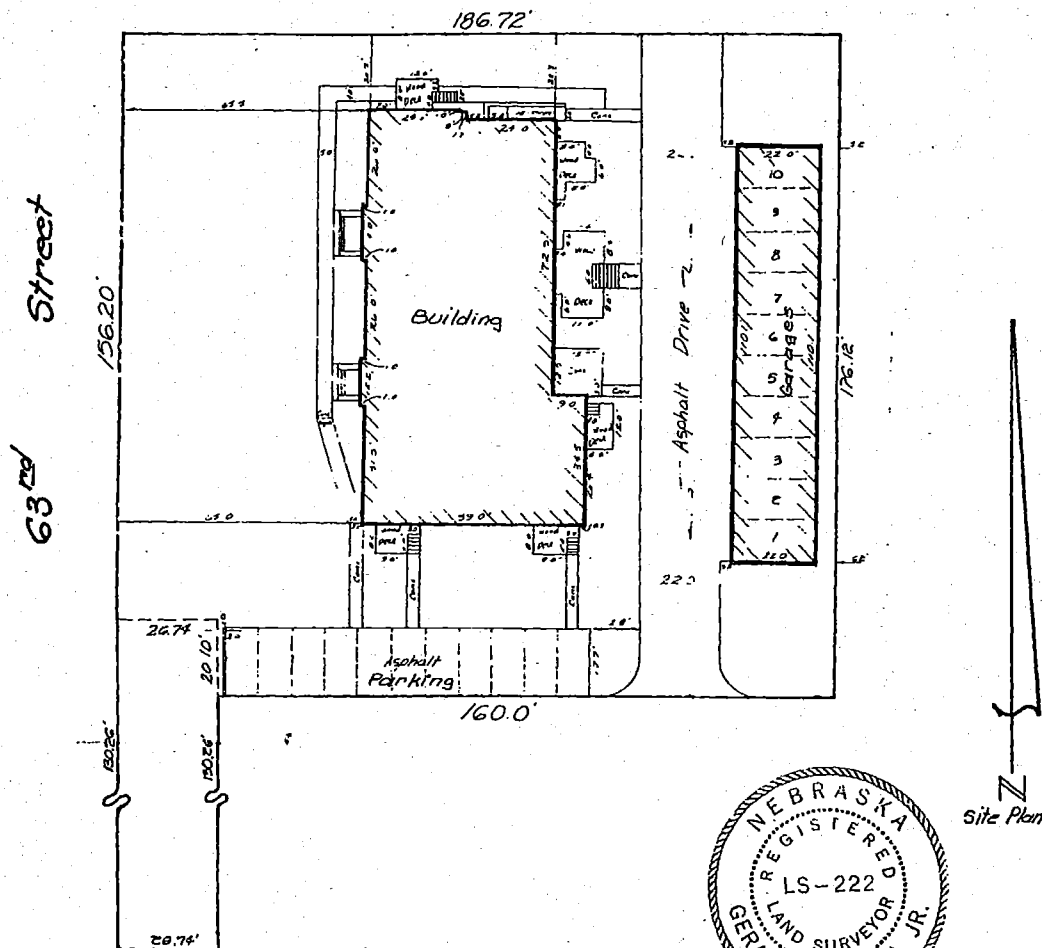
Kathleen F. Watts  
Notary Public

**lamp, rynearson & associates, inc.**  
 architects engineers surveyors planners  
 8290 west dodge road omaha, nebraska 68114 402-387-3008  
 323 w. koenig street grand island, nebraska 68801 308-382-4077

## Exhibit "A"

Sheet 2

Frances Street



## LEGAL DESCRIPTION:

Lots 1, 11 and that part of Lot 10, PICKARD SCHOOL SQUARE, an addition to the City of Omaha, Douglas County, Nebraska, described as follows: Beginning at the Southwest corner of said Lot 10; thence  $N 0^{\circ}00'33'' E$  (bearings based on the Pickard School Square recorded plat) for 130.26 feet to the Northwest corner of said Lot 10; thence  $S 89^{\circ}46'04'' E$  for 26.74 feet to the Northeast corner of said Lot 10; thence  $S 0^{\circ}00'00'' E$  for 130.26 feet along the East line of said Lot 10 to the South line of said Lot 10; thence  $N 89^{\circ}46'04'' W$  for 26.74 feet to the Point of Beginning.

Asphalt parking, garages  
and wood decks are all  
limited common areas.

I hereby certify that this survey was made by me or under my supervision and that I am a Registered Land Surveyor under the laws of the State of Nebraska, and that there are no encroachments either way across the property lines except as noted.

*Gerald B. Rager Jr.*

Gerald B. Rager Jr., L.S.

Date 7-8-83

Job Number 82-00-02

Book 83-13 Page 7



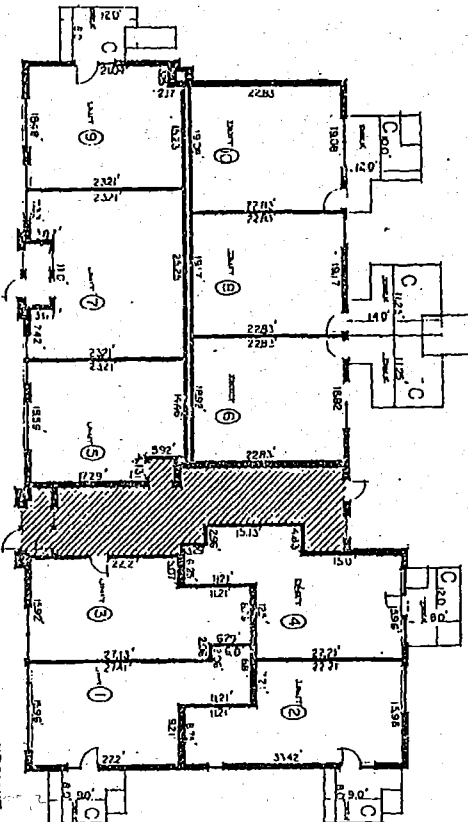
**lamp, rynearson & associates, inc.**  
architects engineers surveyors planners

8290 west dodge road  
323 w. koenig street

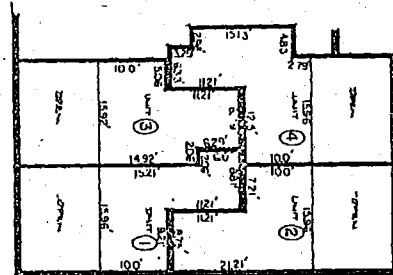
omaha, nebraska 68114  
grand island, nebraska 68801

402-397-3008  
308-382-4077

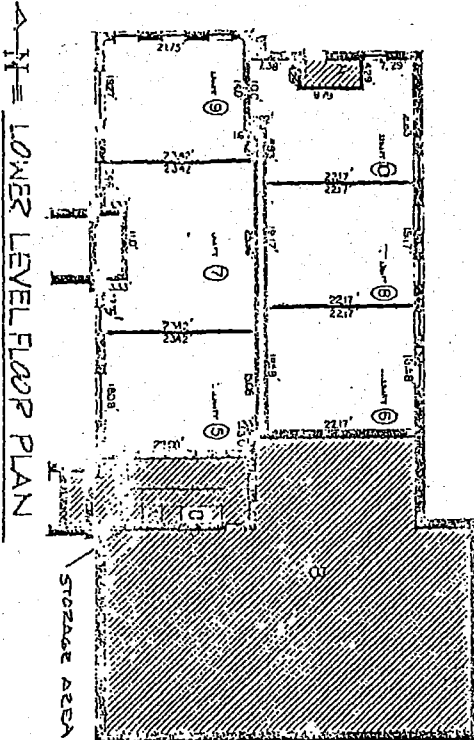




MAIN LEVEL FLOOR PLAN



UPPER LEVEL FLOOR PLAN



LOWER LEVEL FLOOR PLAN



GENERAL CORRIDOR AREA  
A = UTILITY B = STORAGE  
C = OFFICE D = COMMON  
UNIT ENTRANCE LINES

SQUARE FOOTAGE

UNIT	TOTAL SQ. FOOTAGE
1	689.97 + 81.0
2	710.23 + 81.0
3	729.98
4	772.26 + 81.0
5	826.28
6	843.88 + 129.75
7	1194.29
8	862.65 + 134.25
9	826.40 + 86.0
10	835.27 + 113.5
TOTAL	8292.19

0382

DATE

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PICKARD SCHOOL SQUARE  
EXHIBIT "B"

EXHIBIT "C"

PICKARD SCHOOL SQUARE CONDOMINIUM

PROPERTY REGIME

Each of the units identified below with this exhibit shall have as its limited common element any deck or other structure affixed or appurtenant to said unit. With respect to the ownership of the common elements, the owner of each of said units shall own, in addition to said unit, a percentage of the common elements equal to the percent share of expenses set forth for the owned unit.

<u>APARTMENT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>BASIC VALUE</u>	<u>% SHARE OF EXPENSES</u>	<u># OF VOTES INCIDENT TO UNIT</u>
1	689.97	49,950	.0898	898
2	710.23	49,950	.0898	898
3	729.98	49,950	.0898	898
4	772.26	49,950	.0898	898
5	826.28	56,950	.1023	1,023
6	843.86	57,950	.1041	1,041
7	1194.29	68,950	.1239	1,239
8	862.65	57,950	.1041	1,041
9	826.40	57,950	.1041	1,041
10	<u>836.27</u>	<u>56,950</u>	<u>.1023</u>	<u>1,023</u>
	8292.19	556,500	1.0000	10,000

BY-LAWS OF  
PICKARD SCHOOL SQUARE CONDOMINIUM PROPERTY REGIME  
AND

THE PICKARD SCHOOL SQUARE ASSOCIATION, INC.

ARTICLE I. BY-LAWS

Section 1. Description.

These are the By-Laws of The Pickard School Square Association, Inc., a not-for-profit Nebraska corporation with its registered office at 200 First Westside Bank Building, Omaha, Nebraska. These are also the By-Laws of Pickard School Square Condominium Property Regime, a Nebraska condominium property regime.

Section 2. Seal.

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

Section 3. Membership.

This corporation has been organized to provide a means of management for Pickard School Square Condominium, a Nebraska condominium property regime in Douglas County, Nebraska. Membership in the Association is automatically granted and restricted to record owners of units in said Condominium Regime. The vote on behalf of a 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. 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 4. Involved Property.

The property described in Paragraph II of the Master Deed, as located in Douglas County, Nebraska, has been submitted to the provisions of Sections 76-801 through 76-823, R.R.S. of Nebraska, known as the "Condominium Property Act" by the Master Deed recorded simultaneously herewith in the Office of the Register of Deeds of Douglas County, Nebraska, and which condominium shall hereinafter be referred to as the "Condominium".

Section 5. 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 Regime in any manner are subject to these By-Laws, the Master Deed and the Rules and Regulations.

The acceptance of a deed or conveyance or mortgage, or the entering into of a lease or the act of occupancy of a condominium unit shall constitute an agreement that these By-Laws, the Rules and Regulations, and the provisions of the Master Deed, 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 January 1, 1987; upon the closing of the sale of the eighth (8th) unit; or as soon as the Developers, RESTORERS, INC., shall relinquish control of the Board of Administrators, whichever shall first occur, the initial meeting of the Association unit owners shall be held.

At such meeting, the original Board of Administrators shall resign as members of the Board of Administrators and as officers, and all the unit owners, including the Developer, shall elect a new Board of Administrators. Thereafter, the annual meetings of the unit owners shall be held on the second Monday of January of each succeeding year. At such meetings, the Board of Administrators shall be elected by ballot of the unit owners in accordance with the requirements of Section 4, Article III of these By-Laws. So long as the Developer shall own one or more units, the Developer shall have all of the rights and obligations of any owner and may vote the total number of votes incident to each unit. Provided however, 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 Administrators who shall serve for a term of one year. The unit owners may also transact, at each such annual meeting, such other business as may properly come before them.

Section 2. Special Members' Meetings.

Special meetings of the Association unit owners may be called by the President, Vice President or by a majority of the Board of Administrators and must be called upon receipt of written request from members holding a majority of the total basic value of the Condominium Regime, using percentages set forth in Exhibit "A" to the Master Deed. 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 Pickard School Square Association or at such other suitable place convenient to the unit owners as may be designated by the Board of Administrators.

Section 4. Notice of Meetings.

It shall be the duty of the Secretary of the Pickard School Square Association to mail a written notice of the initial and each annual or special meeting of the Association unit owners at least ten (10) but not more than thirty (30) 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 his 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 proper service of notice.

Section 5. Quorum.

A quorum for Association unit owners' meetings shall consist of the presence, in person or by proxy, of unit owners holding a majority of the total basic value of the

Condominium Regime, using the percentages set forth in Exhibit "A" to the Master Deed, 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 votes appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be dated, made in writing and delivered to the Secretary prior to or at the commencement of the meeting at which the proxy is to be exercised, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. No proxy shall be valid for longer than eleven (11) months from the date thereof unless otherwise stated in the proxy. 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 collectively vote to take any other action as an individual unit owner either in person or by proxy. The total number of votes of all unit owners shall be no more than 10,000, and each unit owner (including the Developer and the Board of Administrators, or its designee, if it shall then hold title to one or more units) shall be entitled to cast one vote at all meetings of the unit owners for each one-hundredth percent (.01%) of interest in the common areas and facilities applicable to his or their unit and as shown on Exhibit "A". A fiduciary shall be the voting member with respect to any unit owned in a fiduciary capacity.

Section 7. Majority Vote.

The vote of unit owners holding a majority in value at a meeting at which a quorum is present shall be binding upon all unit owners for all purposes except where, in the Master Deed or these By-Laws, 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 and minutes 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 common interest 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, and no further notice shall be required.

ARTICLE III. BOARD OF ADMINISTRATORS

Section 1. Number and Qualification.

The affairs of the Association and the Condominium Regime shall be governed by a Board of Administrators and until January 1, 1987, until the closing of the sale of the eighth (8th) unit, or until the Developer shall relinquish its control by written notice to all owners, whichever shall first occur, and thereafter until their successors are elected as above provided, the Developer, Restorers, Inc., shall designate all members of the Board of Administrators, officers and employees of the Association. Thereafter, the

Board of Administrators shall be composed of three (3) persons, all of whom shall be unit owners, their employees or members of their families, or in the event of ownership by an entity other than a natural individual, their employees, officers or members.

Section 2. Powers and Duties.

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

- (a) Operation, care, upkeep and maintenance of the general common elements, limited common elements, and facilities.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Regime.
- (c) Collection of the assessments from unit owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the general common elements, limited common elements, and facilities.
- (e) Adoption, amendment and publication of rules and regulations covering the details of the operation and use of the Condominium Regime.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Obtaining the insurance for the Condominium Regime pursuant to the provisions hereof.
- (h) Making of repairs, additions and improvements to, or alterations of, the Condominium Regime and repairs to, and restoration of, the Condominium Regime in accordance with the other provisions of these By-Laws 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 of Administrators may employ for the Condominium Regime a managing agent and/or a manager at a compensation established by the Board of Administrators, to perform such duties and services as the Board of Administrators shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (g) and (h) of Section 2 of this Article III. The Board of Administrators may delegate to the manager or managing agent, all of the powers granted to the Board of Administrators by these By-Laws other than the powers set forth in Subdivisions (b), (e), (f), of Section 2 of this Article III.

Section 4. Election and Term.

At the initial meeting of the Association unit owners,

the members of the Board of Administrators shall be elected to serve until the next annual meeting of the Association unit owners; provided that if said next annual meeting is less than six (6) months from the date of the initial meeting, the Administrators shall be elected to serve until the next annual meeting after the annual meeting which is less than six (6) months in the future. Each Administrator 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. There shall be no cumulative voting for Administrators. The nominees receiving the most votes for the offices available shall be elected.

#### Section 5. Removal of Administrators.

Thereafter, at any regular or special meeting of Association unit owners, any one or more of the members of the Board of Administrators may be removed with or without cause by a vote of the owners of a majority of the basic value of the Condominium Regime, using the percentages set forth in Exhibit "A" to the Master Deed, and a successor may then and there or thereafter be elected to fill the vacancy thus created.

### ARTICLE IV. OFFICERS

#### Section 1. President of the Board of Administrators.

Following the election of the members of the Board of Administrators at each annual meeting, the newly elected members of such Board shall, by vote, select one of the Administrators as President of the Board of Administrators for the coming year. The President of the Board of Administrators shall also be the President of the Association and the Board of Administrators shall appoint or elect the remaining officers of the Association as follows:

- (a) The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, who, with the exception of President, shall not be required to be Administrators; who shall be elected annually by the Board of Administrators at each annual meeting for a term of office of one (1) year; and who may succeed themselves in office.
- (b) The Board of Administrators may, from time to time, appoint, discharge, engage or remove subordinate officers or assistants to the principal officers as is deemed appropriate, convenient or necessary for the management of the affairs of the Association.
- (c) The officers shall have the powers and rights and be charged with the duties and obligations usually vested in or pertaining to such offices or, as from time to time directed by the Board of Administrators.

#### Section 2. Vacancies.

The office of any principal officer shall be vacated and filled as follows:

- (a) Any principal officer may be removed from office at any time by a majority vote of the Board of Administrators, either for or without cause.
- (b) Any vacancy among the principal officers may be filled by appointment by the Board of Administrators for the unexpired term of office.

Section 3. Fees, Expenses and Wages.

The Board of Administrators and officers shall serve without remuneration for their services but shall be reimbursed for expenses incurred by them. The Board of Administrators may, from time to time, fix the wages and other compensation paid to any agent or employee of the Association.

ARTICLE V. INDEMNIFICATION OF OFFICERS AND  
MEMBERS OF THE BOARD OF ADMINISTRATORS

Section 1. Indemnification.

Each Administrator and officer of the Association shall be indemnified by the Association against all costs and expenses, including attorney fees, reasonably incurred by or imposed upon him in connection with or resulting from any action, suit, or proceeding to which he may be made a party by reason of his being or having been a member of the Board of Administrators or a principal officer of the Association (whether or not he continues to be a member of the Board of Administrators or principal officer at the time of incurring such cost or expense), except in relation to matters as to which a recovery shall be had against him by reason of his having been finally adjudged in such action, suit or proceeding to have been derelict in the performance of his duty as a member of the Board of Administrators or principal officer of the Association. The foregoing qualifications shall not, however, prevent a settlement by the Association prior to final adjudication when such settlement appears to be in the best interests of the Association. The right of indemnification herein provided shall not be exclusive of other rights to which any member of the Board of Administrators or principal officers may be entitled as a matter of law.

ARTICLE VI. DUES, ASSESSMENTS, AND  
OTHER FINANCIAL MATTERS

Section 1. Fiscal Year.

The fiscal year of the Association shall coincide with the calendar year unless otherwise directed by the Board of Administrators.

Section 2. Annual Budget.

Before each fiscal year, the Board of Administrators shall adopt and fix, in reasonably itemized detail, an annual budget for the then anticipated expenses, expenditures and general operational costs of the Association for said upcoming fiscal year. Budgets may be amended by the Board of Administrators during a current fiscal year where necessary, but copies of the amended budget and proposed increase or decrease in assessment shall be mailed to each unit owner prior to the effective date of such increase or decrease.

Section 3. Annual Assessments.

The first annual assessment shall be levied against each unit and the owner thereof on January 1, 1986, or January 1 of the next fiscal year after relinquishment of control of the Association by Developer, whichever shall first occur. The annual assessment shall be divided into twelve (12) monthly payments as evenly as possible with the first payment to include the remainder after division. These monthly payments shall become due and payable upon the 15th of January and the 15th of each month thereafter during the fiscal year. Annual assessments for each fiscal 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 thereof shall be computed according to such unit's pro-rata share of the total annual budget for the fiscal year based upon the percentage of such unit's basic value as set forth in Exhibit "A" to the Master Deed.

Section 4. Interim Assessments.

After January 1, 1985, or until the first levy of annual assessments according to Section 3 of this Article, after the Developer shall relinquish control of the Association, whichever shall first occur, the following interim assessments, subject to adjustment as set forth in this Article, shall be due and payable on the first day of each calendar month:

<u>APARTMENT NUMBER</u>	<u>INTERIM ASSESSMENT (PER MONTH)</u>
1	62.86
2	62.86
3	62.86
4	62.86
5	71.61
6	72.87
7	86.73
8	72.87
9	72.87
10	<u>71.61</u>
	700.00

Until December 31, 1985, or until Developer shall relinquish control of the Association according to the provisions of these By-Laws, whichever shall first occur, Developer hereby agrees to pay, in lieu of paying interim assessments upon units owned by it, any deficiency between assessments collected and the normal actual expenses of the Association. This payment of expenses shall not constitute a responsibility of Developer to supervise or control maintenance or operation of the Condominium Regime, which responsibility shall rest solely in the hands of the Board of Administrators. Developer does not assume any liability for extraordinary loss or liability but Developer's status shall be only that of any other owner who is a member of the Association. Interim assessments as to any unit purchased from Developer shall be pro-rated from the date of closing.

#### Section 5. Increases and/or Decreases in Assessments.

Interim assessments in the amount shown in Section 4 of this Article shall not be increased more than ten percent (10%) during the first fiscal year after the filing of the Master Deed, and during each succeeding fiscal year thereafter, interim assessments may not be increased more than ten percent (10%) above the level of the immediately preceding year. Annual assessments may not be increased by more than ten percent (10%) above the immediately preceding year except upon approval of owners holding more than fifty percent (50%) of the total basic value of the Regime as set forth on Exhibit "C" of the Master Deed.

#### Section 6. 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 Master Deed and these By-Laws or for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, improvement, repair or replacement of a limited common element. Where no owner approval provision is applicable, the discretion of the Board of Administrators shall control. Special assessments with respect to common elements shall be levied upon an allocation formula based upon the percentage of each unit's basic value as set forth in Exhibit "C" to the Master Deed. Special assessments with respect to limited common elements may, at the discretion of the Board of Administrators, be levied upon an allocation formula based upon the percentage of each unit's basic value as set forth in Exhibit "C" to the Master Deed or may be levied pro rata against the unit or units to which the subject limited common element is appurtenant as shown on Exhibit "B".

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

#### Section 7. Escrow of Assessments.

The Administrators of the Association may require that all assessments set forth in this Article be paid into an escrow fund to be held and managed by a bank or savings and loan association. Unit owners may be required to execute

transmatic or similar automatic withdrawal authorizations with respect to annual assessments. Failure of a unit owner thereafter to pay his annual assessments according to such a plan shall constitute default thereof entitling the Association to accelerate the due date of such annual assessments.

Section 8. Personal Assessment Liability.

Each unit owner or, if more than one, 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 within said thirty (30) days, may, at the option of the Association, cause the remainder of the installments for that annual period to become immediately due and payable. The defaulting unit shall be liable for the unpaid assessment or assessments, interest thereon from the due date to the date paid at the highest legal rate chargeable to individuals in Nebraska, and, attorney fees and expenses incurred in the collection of 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 grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee and upon written request any such prospective grantee shall be entitled to a statement from the Board of Administrators, or the manager, which shall be conclusive upon the Association in favor of all persons relying thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within fifteen (15) days of the date of receipt of request by the Association, then such grantee shall not be liable for, nor shall the condominium unit conveyed be subject to, a lien for any unpaid assessments accruing prior to the date of such request. However, the grantor shall remain personally liable therefor.

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

Section 9. 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 Administrators may record such lien in the office of the Register of Deeds; 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 thirty (30) days after the due date shall bear interest at the highest legal rate for individuals in Nebraska from the due date until paid. The delinquency of one installment of an annual assessment beyond the thirty (30) day period shall cause all remaining installments, at the option of the Association, to become immediately due and payable. The Board of Administrators shall have the right and duty to

attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney fees, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by Section 76-817 of the Condominium Act. In any action brought by the Board of Administrators to foreclose a lien on a unit because of unpaid assessments, the unit owner shall be required to pay a reasonable rental for the use of his unit from the date of institution of the proceeding and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Administrators, 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 assessments shall be maintainable without foreclosing or waiving the lien securing the same.

Section 10. Statement of Unpaid Assessments.

Upon payment of a reasonable fee, not to exceed Seventy-Five Dollars (\$75.00), and upon the written request of any owner, prospective purchaser or of any mortgagee of a condominium unit, the Board of Administrators, 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 11. 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.

ARTICLE VII. INSURANCE

Section 1. Coverage.

The Board of Administrators shall obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire condominium improvements and any other property, whether or not a common element (including all of the appliances and fixtures therein initially installed by the Developer, but not including furniture, furnishings, fixtures or other personal property supplied by or installed by unit owners), together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard noncontributory mortgage clause in favor of each mortgagee of a condominium unit which shall provide that the loss, if any, hereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Administrators hereinafter set forth in Article XI; public liability insurance in such limits as the Board of Administrators may from time to time determine, covering the Association, each member of the Board, the Managing Agent, agents and employees of the Association and each unit owner; and such additional coverage as the Board of Administrators may from time to time determine is appropriate. Such public liability coverage shall also cover cross liability claims of one insured against the other and shall contain waivers of subrogation.

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 (10) days prior to expiration of the then current policies. The cost of such policies shall be a common expense.

The Board of Administrators shall determine, at least annually, the replacement value of the condominium buildings and, in so doing, may employ such experts as the Board may feel necessary.

#### Section 2. Provisions.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of 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 (10) days prior written notice to all of the insureds, including mortgagees.

#### Section 3. Insurance by Unit Owners.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and provided, further, that no unit owner shall have the right to insure any of the common elements individually.

Insurance coverage on furnishings and other items of personal or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Board of Administrators and the Association shall have no responsibility therefor.

### ARTICLE VIII. MAINTENANCE AND ALTERATIONS

#### Section 1. Maintenance.

The unit owner shall have the obligation to maintain and keep in good repair the interior surfaces of walls, ceilings and floors (including carpeting, tile, wallpaper, paint or other covering) as well as all fixtures and appliances, located within such owner's unit. An owner shall not be responsible to the Association for repair to common elements or limited common elements by casualty, unless such casualty is due to the act or negligence of the owner, his guests, invitees or tenant. All maintenance, including lawn maintenance and snow removal, repairs and replacements to the general and limited common elements, shall be made by the Association and be charged to all the 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 by the Association to such unit owner. All maintenance, repairs and replacements to the limited common elements shall be made by the Association and the Board of Administrators, in its sole discretion, shall determine if the cost of such maintenance, repair, or replacement is to be charged to all the unit owners as if a common expense or if such cost is to be charged to the unit or units to which said limited common element is appurtenant as shown on Exhibit "C".

#### Section 2. Alterations by Unit Owner.

No unit owner shall make any structural addition, alteration or improvement in or to his unit, or the limited

common elements pertaining thereto, including any exterior painting or exterior alteration or addition (including awnings, grills, etc.) without the prior written consent thereto of the Board of Administrators. The Board of Administrators 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 Administrators 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 of Administrators only, without however, incurring any liability on the part of the Board of Administrators or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 2 shall not apply to units owned by the Developer until such units shall have been initially sold by the Developer and paid for.

### Section 3. Alterations or Enlargement of Common Elements by Association.

There shall be no improvement nor enlargement of the common elements nor additions thereto if such improvement, enlargement or addition shall cost more than One Thousand Dollars (\$1,000.00) during any single fiscal year, unless and until such proposal is approved in writing by owners holding at least seventy-five percent (75%) of the total basic value of the Condominium Regime, using the percentages set forth in Exhibit "A" to the Master Deed, and until a proper amendment of the Master Deed, if required, has been duly executed, acknowledged and recorded pursuant to law.

The cost of the alteration or enlargement and of amending the Master Deed shall be a common expense and shall be collected by special assessment against all unit owners.

## ARTICLE IX. RESTRICTIONS AND RESERVATIONS

### Section 1. Use Restrictions.

In order to provide for congenial occupancy of the Condominium Regime and for the protection of the value of the units, the use of the property 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. This restriction shall not apply to units owned by the Developer until such units shall have been initially sold by the Developer and paid for.
- (b) The common elements and facilities, including the limited common elements 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 nuisances shall be allowed on the Regime 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 Regime.

- (d) No improper, offensive or unlawful use shall be made of the Regime or any part thereof, 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 Regime shall be corrected, by and at the sole expense of the unit owners or of the Board of Administrators, whichever shall have the obligation to maintain or repair such portion of the Condominium Regime.

## Section 2. Rules of Conduct.

Rules and regulations concerning the use of the units and the common elements and facilities, including the limited common elements and facilities, may be promulgated and amended by the Board of Administrators with the written approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of Administrators to each unit owner prior to the time when the same shall become effective. The original rules and regulations, effective until amended by the Board of Administrators with the approval of a majority of the unit owners, are annexed hereto and made a part hereof.

## Section 3. Right of Access.

A unit owner shall grant a right of access to his unit to the Board of Administrators or to the manager and/or managing agent or any other person designated by the Board of Administrators, 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 element 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 in the building, 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 Administrators or the breach of any of these By-Laws, or the breach of any provisions of the Master Deed, shall give the Board of Administrators the right, in addition to any other rights set forth in these By-Laws:

- (a) To enter into 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 of Administrators shall not thereby be deemed guilty, in any manner, of trespass.
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.
- (c) To deny partially or wholly access to, benefit from, or use of all or any facilities, functions or services, or suspend, partly or wholly, all or any rights or privileges of membership, or to take

any other disciplinary action directed by the Board of Administrators.

ARTICLE X. MORTGAGES

Section 1. Notice to Board of Administrators.

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

Section 2. Notice of Default.

The Board of Administrators, when giving notice to a unit owner of a default in paying assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has therefore been furnished to the Board of Administrators.

Section 3. Examination of Books.

Each unit owner, each mortgagee of a unit and each prospective purchaser designated in writing by an owner shall be permitted to examine the books of account of the Association at reasonable times, upon a business day and during normal business hours as determined by the Board of Administrators, but in no event more often than once every three (3) months. Special requests for such examinations upon days other than those designated shall be granted or denied at the sole discretion of the Board of Administrators.

ARTICLE XI. DESTRUCTION, DAMAGE OR OBSOLESCENCE  
ASSOCIATION AS ATTORNEY-IN-FACT

Section 1. Association Attorney-in-Fact.

These By-Laws, as a part of the Master Deed, hereby make mandatory and irrevocable the appointment of the Association as attorney-in-fact to deal with the property and any insurance proceeds upon the damage of the property, its destruction, obsolescence, repair, reconstruction, improvement and maintenance, all according to the provisions of this Article XI. Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by a grantee of a deed, mortgage or other instrument of conveyance from the Developer or from any owner or grantor shall constitute and appoint the Association his true and lawful attorney in his name, place, and stead for the purpose of dealing with the property upon its damage or destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary or its other duly authorized officers or agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a unit owner which are necessary and appropriate to exercise the powers granted in this Article. Repair and reconstruction of the improvements, as used in the succeeding Sections of this Article mean restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before.



Section 2. Damage or Destruction-Repair and Reconstruction Mandatory.

In the event of damage or destruction due to fire or other disaster, which damage or destruction is determined by the Board of Administrators to be less than seventy-five percent (75%) of the total replacement cost of all the condominium units in this Regime, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, and the Association shall have full authority to deal with insurance proceeds in such repair and reconstruction.

In the event that insurance proceeds are insufficient to repair and reconstruct the improvements, the Association shall levy a special assessment upon all units of the Regime to provide an amount sufficient to conduct said repair and reconstruction along with insurance proceeds. Such assessment shall be levied and collected according to Section 6 of Article VI, and the Association shall also have the rights noted in Section 9 of Article VI. The owner approval provisions of Section 6 of Article VI or other similar provision contained herein shall not apply.

Section 3. Damage or Destruction-Repair and Reconstruction Optional.

In the event of damage or destruction due to fire or other disaster, which damage or destruction is determined by the Board of Administrators to be seventy-five percent (75%) or more of the total replacement cost of all of the condominium units in this Regime, not including land, the Board shall forthwith, within thirty (30) days of the occurrence of said damage or destruction, call a special members' meeting for the purpose of presenting to the unit owners the alternatives of repair and reconstruction or sale, pursuant to Section 4 or 5 of this Article. At such meeting, the Board shall present estimates of repair and reconstruction costs, the amount of insurance proceeds available, the projected necessity for, and amount, if any, of special assessments necessary to cover any deficiency in insurance proceeds, the projected sale price of the property as is, and projected distribution of all funds, including insurance proceeds, should the owners choose sale rather than repair and reconstruction. In arriving at such figures to be presented to the owners, the Board may employ such experts as deemed advisable. After presentation of all relevant financial information available to the Board, the owners may adopt either a plan of repair and reconstruction, or a plan of sale. At the meeting, if a quorum is present, either plan made be adopted by a majority vote, as defined in Section 7 of Article II. After the adoption of the plan, the Board of Administrators shall use all diligence to obtain the written approval of all unit owners who favor the plan adopted. Either plan shall require the written approval of owners of at least seventy-five percent (75%) in number of the units in the Regime prior to such plan becoming effective. If such approval is not obtained within one hundred (100) days from the date of damage or destruction, the plan will fail and the provisions of Section 76-821 of the Condominium Act shall control. In addition to the owner approval requirement, in the event of the adoption of a plan of sale, the mortgagees and other lienholders of record upon each unit in the Regime must likewise approve, in writing, the plan of sale within the time period provided. No such mortgagee or lienholder approval shall be required for the effectiveness of a plan of repair and reconstruction.

Section 4. Plan of Repair and Reconstruction-Damage or Destruction.

In the event that a plan of repair and reconstruction is adopted by the owners and subsequently approved by the required number of owners, as above set forth, the Board of Administrators shall forthwith proceed to repair and reconstruct the improvements as set forth in Section 2 of this Article.

Section 5. Plan of Sale-Damage or Destruction.

In the event that a plan of sale is adopted and approved by the required number of owners and approved by the mortgagees and lienholders of record, as above set forth, then the Board of Administrators shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice with the Register of Deeds of Douglas County, Nebraska, by the Association's President and Secretary or Assistant Secretary, the entire remaining premises shall be offered for sale and sold by the Association pursuant to the provisions of this Article, as attorney-in-fact for all of the owners, free and clear of the provisions contained in the Master Deed, the Articles of Incorporation and these By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each owner's interest in the general common elements, and such divided proceeds shall be paid into separate accounts, each such account representing one of the condominium units. Each such account shall be held in the name of the Association, and shall be further identified by the condominium unit designation and the name of the owner. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property and any available funds of the Association. Such apportionment shall be based upon each condominium unit owner's interest in the general common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, as set forth in Section 12 of this Article.

Section 6. Obsolescence of Buildings.

Upon written request of the Board of Administrators or upon receipt of a written request signed by owners holding a majority of the total basic value of the Condominium Regime, the Secretary shall, pursuant to the provisions of Article II, issue notice of a special members' meeting to consider the question of obsolescence of the condominium buildings. At such meeting, owners holding eighty percent (80%) or more of the total basic value of the Condominium Regime, voting in person or by proxy, may agree that the condominium buildings are obsolete. In the event that the owners agree that the buildings are obsolete, the Secretary shall forthwith issue notice of a special meeting of the members to be held sixty (60) days from the date of the members' meeting at which the owners agreed upon the obsolescence of the buildings. During this sixty (60) day period, the Board shall make such studies, with the aid of such experts as deemed advisable by the Board, as are necessary to present estimates as to the costs of remodeling or reconstructing the buildings, the amount of reserves therefor accrued by the Association to date, and the amount, if any, of special assessments necessary to cover any deficiency between available reserves and remodeling or reconstruction expense, the projected sale price of the property as is, and the projected distribution of all funds, including reserves and other funds of the Association, should the owners choose sale rather than remodeling or reconstruction. At the subsequent special

meeting of the members, the Board shall present these estimates to the owners and the owners may adopt either a plan of remodeling or reconstruction, pursuant to Section 7, or a plan of sale pursuant to Section 8, Article XI. At the meeting, if a quorum is present, either plan may be adopted by a majority vote, as defined in Section 7, Article II. After the adoption of the plan, the Board of Administrators shall use all due diligence to obtain the written approval of all unit owners who favor the plan adopted. Either plan shall require the written approval of owners of at least eighty percent (80%) in number of the units in the Regime prior to such plan becoming effective. If such approval is not obtained within sixty (60) days from the date of the adoption of the plan, the plan will fail and no plan under this Section shall be adopted by the unit owners for a period of one (1) calendar year from the date of adoption of the plan failing to obtain the required approval. In addition to the owner approval requirement, in the event of the adoption of a plan of sale, the mortgagees and other lienholders of record upon each unit in the Regime must likewise approve, in writing, the plan of sale within the time period provided. No such mortgagee or lienholder approval shall be required for the effectiveness of a plan of remodeling or reconstruction.

#### Section 7. Plan of Remodeling or Reconstruction-Obsolescence.

In the event that a plan of remodeling or reconstruction is adopted by the owners and subsequently approved by the required number of owners, as above set forth, the Board of Administrators shall forthwith proceed to remodel or reconstruct the improvements, applying reserves as set forth for insurance proceeds in Section 2 of this Article, with the same rights as to special assessments as set forth therein.

#### Section 8. Plan of Sale-Obsolescence.

In the event that a plan of sale is adopted and approved by the required number of owners and approved by the mortgagees and lienholders of record, as above set forth, then the Board of Administrators shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice with the Register of Deeds of Douglas County, Nebraska, by the Association's President and Secretary or Assistant Secretary, the entire premises shall be offered for sale and sold by the Association pursuant to the provisions of this Article, as attorney-in-fact for all of the owners, free and clear of the provisions contained in the Master Deed, Articles of Incorporation and these By-Laws. The funds and reserves established and held by the Association and the proceeds from the sale of the entire Regime shall be divided by the Association according to each owner's interest in the general common elements, and such divided proceeds shall be paid into separate accounts, each account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the condominium unit designation and the name of the owner. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association as attorney-in-fact, as set forth in Section 12 of this Article.

#### Section 9. Condemnation.

In the event of a taking by condemnation or eminent domain of all or part of the common area, the award made shall be paid to the Board of Administrators. If owners holding eighty percent (80%) or more of the basic value of the Condominium Regime do not, within sixty (60) days from

the date of the award, approve the use of the proceeds from the award for use in repairing, expanding or restoring the common area, the Board of Administrators shall forthwith disburse the net proceeds of the award for the same purpose and in the same order as is provided in Section 12 of this Article.

Section 10. Power of Sale.

In the event of sale of the entire Regime pursuant to this Article, or upon adoption of such a plan upon termination of the Condominium Regime pursuant to Section 1, Article XII, or otherwise, the Association shall have all the powers set forth herein in dealing with a purchaser or purchasers as attorney-in-fact.

Section 11. Sale of Unit-Default in Special Assessment Under Article .

The special assessment provided for in this Article shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in Article V. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this Section. The delinquent owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the highest legal rate on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, in the order set forth in Section 12 of this Article. Any deficiency of funds to pay the unpaid assessments shall remain the personal obligation of the delinquent unit owner. Any such sale shall require the approval of all priority mortgagees and lienholders upon the unit if the proceeds of sale will not be sufficient to pay the indebtedness secured by said encumbrances after the deduction of sale expenses and costs.

Section 12. Application of Proceeds.

Proceeds received as set forth in the preceding Sections and as applicable to each unit, shall be used and disbursed by the Association as attorney-in-fact, in the following order:

- (a) For payment of taxes and special assessments, liens in favor of any assessing governmental entity and the customary expense of sale;
- (b) For payment of the balance of the lien of any mortgage or other encumbrance having priority over the lien of items set forth in (c) below, in the order of and to the extent of their priority;
- (c) For payment of unpaid assessments and all costs, expenses and fees incurred by the Association;
- (d) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- (e) The balance remaining, if any, shall be paid to the condominium unit owner.

Section 13. No Abatement of Assessments.

Assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction; remodeling or reconstruction; nor prior to sale of any unit for delinquent unpaid assessments unless a resolution to such effect shall be adopted by the Board of Administrators.

Section 14. Approvals.

As used in this Article, the percentage voting requirements of unit owners shall be based upon the percentage values set forth in Exhibit "A" to the Master Deed. Unless otherwise explicitly stated, those percentages shall refer to total percentages and not merely to percentages of owners in attendance, in person or by proxy, at meetings where voting is conducted.

ARTICLE XII. TERMINATION OR AMENDMENTSection 1. Termination.

Except as otherwise provided, owners holding eighty percent (80%) or more of the basic value of the Condominium Regime, using percentages set forth in Exhibit "A" to the Master Deed, shall have the right to terminate this Condominium Regime, or to merge this Condominium Regime with another condominium regime duly organized and existing under the laws of this state, all subject to the conditions of Section 76-812 of the Condominium Act.

Section 2. Amendment by Owners.

There shall be no amendment to these By-Laws unless owners holding seventy-five percent (75%) or more of the basic value of the Condominium Regime, using percentages set forth in Exhibit "A" to the Master Deed, shall have voted therefor in the affirmative at a special or annual meeting; provided, however, that percentage voting requirements contained in these By-Laws shall not be amended by a lesser percentage vote than that sought to be amended; and provided further that any amendment shall have the approval of more than fifty percent (50%), in number, of the first mortgagees of record upon the date of adoption of said amendment.

Section 3. Amendment by Developer.

Anything contained in these By-Laws or in the Master Deed to the contrary notwithstanding, Developer, so long as it has not released control of the Association, shall have the right to amend these By-Laws for the clarification hereof or for the benefit of all unit owners without the requirement of unit owners approval; provided that it obtains the prior written consent of more than fifty percent (50%) in number, of all first mortgagees of record.

ARTICLE XIII. RECORDSSection 1. Records and Audits.

The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board of Administrators and the managing agent, minutes of the meetings of the Board of Administrators, minutes of the meetings of unit owners, and financial records and books of account of the Association and 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 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 Association and Condominium shall be rendered by the Board of Administrators to all unit owners at least annually. In addition, an annual report of the receipts and expenditures of the Association and Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Administrators to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

ARTICLE XIV. MISCELLANEOUS

Section 1. Notices.

All notices to the Association required herein shall be sent by registered or certified mail to the Board of Administrators c/o the managing agent, or if there is no managing agent, to the office of the Board of Administrators or to such other address as the Board of Administrators may hereafter designate from time to time in writing to all unit owners and to all mortgagees of units.

All notices to any unit owner shall be sent by mail to the unit address or to such other address as may have been designated by him from time to time to the Board of Administrators. 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. Services Provided.

The Association shall be responsible for and shall pay for: exterior maintenance of all buildings and maintenance of all common elements; lawn, tree and shrub care and replacement; snow removal; trash removal; casualty, liability and other insurance coverage required or permitted hereunder; and pool maintenance. The expense of these services shall be a common expense.

Section 3. Invalidity.

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 4. 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 provision hereof.

Section 5. 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 and the plural, the singular, wherever the context so requires.

Section 6. Nonwaiver.

No restrictions, condition, 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.

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