

TERRA COTTA CONDOMINIUMS

MASTER DEED ESTABLISHING
 PLAN FOR CONDOMINIUM OWNERSHIP OF
 PREMISES LOCATED IN THE CITY OF OMAHA,
 DOUGLAS COUNTY, NEBRASKA
 PURSUANT TO THE CONDOMINIUM PROPERTY ACT
 OF THE STATE OF NEBRASKA

NEBRASKA DOCUMENTARY
STAMP TAX

OCT 15 1992

\$ EL BY JKNEBRASKA DOCUMENTARY
STAMP TAX 4-81
FEB 22 1983
\$ EL BY JK

WESTCHESTER INVESTMENT COMPANY, a Partnership organized and existing under the laws of the State of Nebraska (hereinafter referred to as the "Developer"), does hereby declare:

1. Submission of Property. The Developer hereby submits the following described Land:

Lots 6, 7, 8 and the North 21.53 feet of Lot 9, Block 1, Jerome Park Addition to the City of Omaha, Douglas County, Nebraska,

together with the Building, as defined in this Master Deed owned by the Developer in fee simple absolute (hereinafter called the "Property") to the provisions of the Condominium Property Act of the State of Nebraska (Neb. Rev. Stat. Sections 76-801 to 76-823, Reissue 1981).

2. Definitions. The terms used in this Master Deed and in the attached By-Laws shall have the following meanings:

(a) "Association of Co-Owners" means all of the Co-Owners as defined in Paragraph (h), acting as a group in accordance with the By-Laws.

(b) "Board of Administrators" means the persons who are the governing board of the Condominium, elected as such in accordance with the By-Laws.

(c) "Building" means the building and other improvements located on the Land.

(d) "By-Laws" means those attached hereto and as amended from time to time.

(e) "Common Elements", general and limited, means all parts of the Property other than the Units, as more fully set forth in Paragraph 7 of this Master Deed.

(f) "Common Expenses" means and includes:

(i) All sums lawfully assessed against the Co-Owners;

(ii) Expenses of administration, maintenance, repair or replacement of the Common Elements, including repair and replacement reserves as may be established;

(iii) Expenses agreed upon as common expenses by the Association of Co-Owners;

(iv) Expenses declared common expenses by the provisions of the Condominium Property Act or by this Master Deed or the By-Laws;

(v) Premiums for insurance policies required to be purchased by the Board of Administrators of the Condominium pursuant to the By-Laws.

NEBRASKA DOCUMENTARY
STAMP TAX 4-81

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\$ EL BY JK

(g) "Condominium Property Act" means Sections 76-801 to 76-823, Neb. Rev. Stat. (Reissue 1981).

(h) "Co-Owner" means any person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns fee simple title to a Unit.

(i) "Land" means the real property described above, exclusive of the Building structure but including the land on which the structure is built, containing approximately 24,366 square feet of land.

(j) "Majority of the Co-Owners" means the Co-Owners of more than fifty percent (50%) of the aggregate Percentage Interests. Any specified percentage or proportion of the Co-Owners means the Co-Owners of such number of Percentage Interests in the aggregate.

(k) "Managing Agent" means a professional managing agent employed by the Co-Owners to perform such duties and services as the Board of Administrators shall authorize in conformance with this Master Deed and the By-Laws.

(l) "Mortgage" shall include deeds of trust and "mortgagee" shall include trustees and beneficiaries of deeds of trust.

(m) "Percentage Interest" means the percentage interest of each Unit in the Common Elements as set forth in Schedule A attached hereto.

(n) "Plat of Condominium Subdivision" means the land surveys of the entire Property and the Building plans recorded simultaneously with this Master Deed.

(o) "Property" means the Land and the Building, all other improvements and structures thereon, and all easements, rights and appurtenances belong thereto or any of them alone, and all articles of personal property intended for use in connection therewith.

(p) "Rules and Regulations" means those rules and regulations adopted from time to time by the Board of Administrators that are deemed necessary for the enjoyment of the Condominium provided they are not in conflict with the Condominium Property Act, the Master Deed and the By-Laws.

(q) "Unit" means an apartment as defined by the Condominium Property Act, and consists of any one of the parts of the Building which is separately described on the Plat of Condominium Subdivision, in Schedule A attached hereto, as "Unit" followed by a number, and in Paragraph 6 of this Master Deed.

3. Name of Condominium. This Condominium shall be known as the "Terra Cotta Condominiums".

4. Building. There is one Building located on the Land which has a Court Level below ground and three structural stories above ground. The location of the Building on the Land is shown on the survey which is a part of the Plat of Condominium Subdivision. The Building contains twenty-two Units located on the floors of the Building as shown on the plans which are a part of the Plat of Condominium Subdivision. The principal materials of which the Building is constructed are reinforced concrete, structural steel, masonry walls with stucco exteriors, plaster-board ceilings and interior walls, concrete slab basement

floor and concrete surface first, second and third floors. There are surface automobile parking areas adjacent to the Building (situated as shown on the Plat of Condominium Subdivision) with total spaces for not less than thirty-six automobiles.

5. Units. Annexed hereto and made part hereof as Schedule A is a list of all Units in the Building, their unit designations, location, approximate areas (all as shown more fully on the Plat of Condominium Subdivision), the value of the Property and of each Unit, and the Percentage Interest of each Unit in the Common elements determined on the basis of the proportion which the value of each Unit bears to the value of the Property, as of the date of filing of this Master Deed, said values having been estimated by the Developer. The values set forth on Schedule A are solely for purposes of determining Percentage Interests of the Unit Co-Owners, and shall not fix the fair market value of the Units for any other purposes.

6. Dimensions of Units. Each Unit consists of the space measured horizontally between the unpainted surface of the Unit side or inside of the drywall enclosing such Unit (all as shown more fully on the Plat of Condominium Subdivision), and the space measured vertically from the surface of the concrete floor of such Unit to the plane of the bottom of the joists above. In the case of Units containing fireplaces, fireplace openings are included in the Unit up to the flue in a closed position. In addition, included as part of a Unit are: (a) the sliding glass door to the patio or balcony of a Unit; (b) the front entrance door and any other entrance door of a Unit, and locks and other fixtures to such doors; (c) all windows of a Unit; (d) the individually controlled heating and air conditioner condenser and compressor units which is located within such Unit or connected to such Unit; (e) inner partitions, unless they are load-bearing walls; and (f) sinks, bathtubs and other plumbing fixtures, refrigerators, ovens, gas fireplace fixtures, if any, and other appliances located in the Unit and serving solely the Unit.

7. Common Elements.

A. The General Common elements consist of the entire Property (including all parts of the Building) other than the Units and the Limited Common elements, and include, without limitation, the following:

- (a) The Land described in this Master Deed;
- (b) All foundations, main walls, load-bearing walls, roof, halls, lobbies, stairways, patio, balconies and entrances and exists of the Building;
- (c) The basement, yards and gardens;
- (d) The compartments or installations of central services such as power, light, gas, common chimneys, cold and hot water, water tanks and pumps, and trash receptacles.
- (e) Premises for lodging of janitors or persons in charge of the Building, if any; and
- (f) All other elements of the Building rationally of common use or necessary for its existence, upkeep and safety.

B. The Limited Common Elements are those set forth on the plans which are a part of the Plat of Condominium subdivision. The Limited common elements are reserved for the use of the Units immediately adjacent to each Limited Common Element to the exclusion of all other Units. The owners of the Units immediately adjacent to a Limited Common Element shall each have an easement over and through the Unit of the other for necessary access to the Limited Common Element and the utility equipment (furnaces, air conditioners, etc.) located therein. Said utility equipment located therein is not a part of the Limited Common Element, but is a part of the Unit to which it is connected as set forth in paragraph "6" of this Master Deed.

8. Encroachments. If any portion of the Common elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur after the recording of this Master Deed as a result of settling or shifting of the Building, a valid easement for such encroachment and for the maintenance of the same shall exist so long as the Building shall stand. In the event the Building, the Unit, any adjoining Unit, or any adjoining Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and for the maintenance of the same shall exist so long as such reconstructed Building shall stand.

9. Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Elements Located Inside of Units; Support. Each Co-Owner shall have an easement in common with the Co-Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Co-Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common elements serving such other Units and located in such Unit. The Board of Administrators shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common elements contained therein or elsewhere in the Building. Every portion of a Unit which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all other Units and the Common Elements.

10. Units Subject to Master Deed, By-Laws and Rules and Regulations. All present and future Co-Owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Master Deed, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provision of this Master Deed, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Co-Owners, tenant, or occupant, and all of such provisions shall be deemed and taken to be enforceable equitable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

11. Amendment of Master Deed. This Master Deed may be amended by vote of the Co-Owners of at least 66 2/3% of the aggregate Percentage Interests, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, provided, however, that any such amendment shall have been approved in writing by the mortgagee or mortgagees holding mortgages constituting first liens on 51% or more of the Units subject to mortgages. No such amendment shall be effective until recorded among the land records of Douglas County, Nebraska. Provided, however, the Percentage Interests shall not be changed except by unanimous consent of all the Co-Owners, which change shall be evidenced by an appropriate amendatory declaration to such effect recorded in the land records of Douglas County, Nebraska.

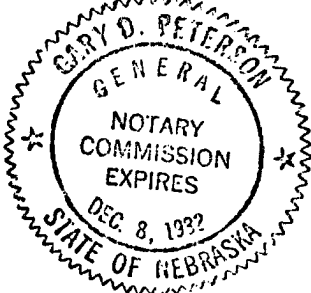
12. No Revocation or Partition. The Common Elements shall remain undivided and no Co-Owner or any other person shall bring any action for partition or division thereof, except in the event of the destruction or condemnation of more than three-fourths (3/4) of the Building. Except in the event of condemnation or destruction of more than three-fourths (3/4) of the Building, the dedication of the Property to the Condominium Property Regime shall not be waived or revoked unless three-fourths (3/4) of the Co-Owners and the mortgagees of all of the mortgages covering the Units agree to such revocation or waiver.

13. Invalidity. The invalidity of any provisions of this Master Deed shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Master Deed, and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

14. Waiver. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

15. Gender. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF the Developer has caused this Master Deed to be executed by its duly authorized partners this 7 day of October, 1982.



WESTCHESTER INVESTMENT COMPANY

By Gerald H. Loontjer
Gerald H. Loontjer, Partner

1. Earl D. Rupperecht
Earl D. Rupperecht, Partner

STATE OF NEBRASKA)
COUNTY OF DOUGLAS) SS.

On the 7 day of October, 1982, before me, a Notary Public, appeared Gerald H. Loontjer and Earl D. Rupperecht, personally known to me to be the persons whose names are affixed to the foregoing instrument and they acknowledged their execution thereof and that the same was done as their voluntary act and deed and the voluntary act and deed of the partnership.

[Signature]
Notary Public

BOOK 1700 PAGE 501

~~BOOK 1699 PAGE 720~~

BOOK 1693 PAGE 626

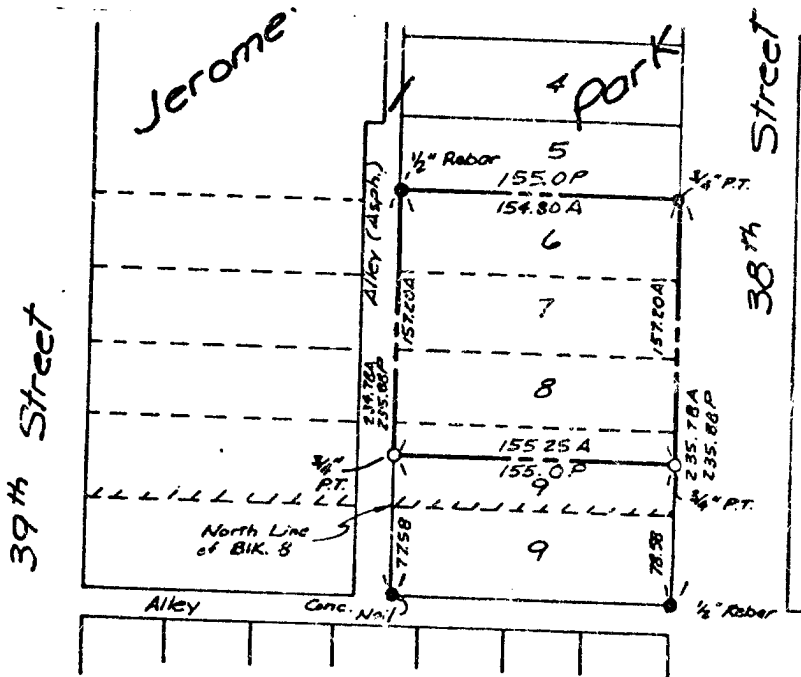
TERRA COTTA CONDOMINIUMS - SCHEDULE A

All Units listed below have the street address of 120 South 38th Avenue, Omaha, Nebraska.

<u>Floor</u>	<u>Unit No.</u>	<u>Approx. Area (Sq. Ft.)</u>	<u>Condominium Value</u>	<u>Percentage Interest</u>
Court Level	1	550	24,400	03.58
"	2	450	22,800	03.35
"	3	500	22,000	03.24
"	4	900	36,000	05.29
<hr/>				
First	11	900	36,000	05.29
"	12	550	22,800	03.35
"	13	900	38,800	05.73
"	14	850	35,200	05.17
"	15	570	22,800	03.35
"	16	900	36,000	05.29
<hr/>				
Second	21	900	36,000	05.29
"	22	550	22,800	03.35
"	23	900	38,800	05.73
"	24	850	35,200	05.17
"	25	570	22,800	03.35
"	26	900	36,000	05.29
<hr/>				
Third	31	900	36,000	05.29
"	32	550	22,800	03.35
"	33	900	38,800	05.73
"	34	850	35,200	05.17
"	35	570	22,800	03.35
"	36	900	36,000	05.29
<hr/>				
		16,360	\$680,000	100.00%

I hereby certify that this plat, map, survey or report was made by me or under my direct personal supervision and that I am a duly Registered Land Surveyor under the laws of the State of Nebraska.

Legal Description Lots 6, 7, 8, and the North 21.53 feet of Lot 9, Block 1, JEROME PARK ADDITION, Omaha, Douglas County, Nebraska.



- O - CORNERS SET
- - CORNERS FOUND
- A - ACTUAL DIMENSIONS
- P - PLAT DIMENSIONS
- PT. = Pinched Top



North Arrow
 1" = 100'
 Signature of Land Surveyor

DATE RECEIVED: _____ Date: 9-22-82 Reg. No. 222

OFFICIAL ADDRESS: _____

BLDG. PERMIT NO.: _____

Book B1-E Page 61

Sheet 1 of 6

SEAL

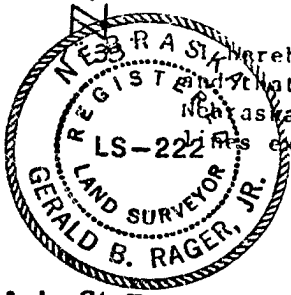
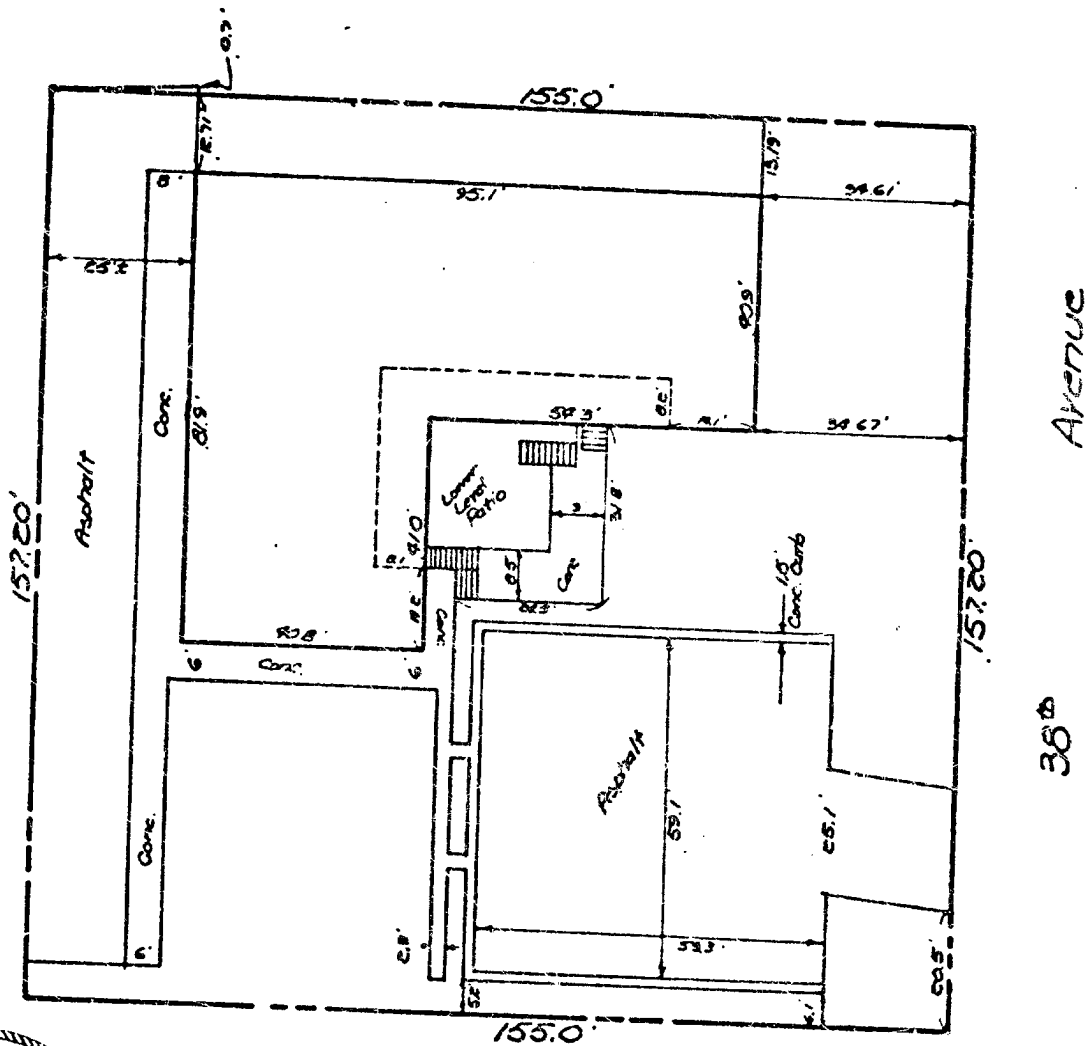
Job Number 820043

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

8290 west dodge road omaha, nebraska 68114 402-397-3008
 323 w. koenig street grand island, nebraska 68801 308-382-4077

LEGAL DESCRIPTION

Lots 6, 7, 8, and the North 21.53 feet of Lot 9, Block 1, JEROME PARK ADDITION, Omaha, Douglas County, Nebraska.



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 except as noted.

Gerald B. Rager, Jr.
 Gerald B. Rager Jr., L.S.

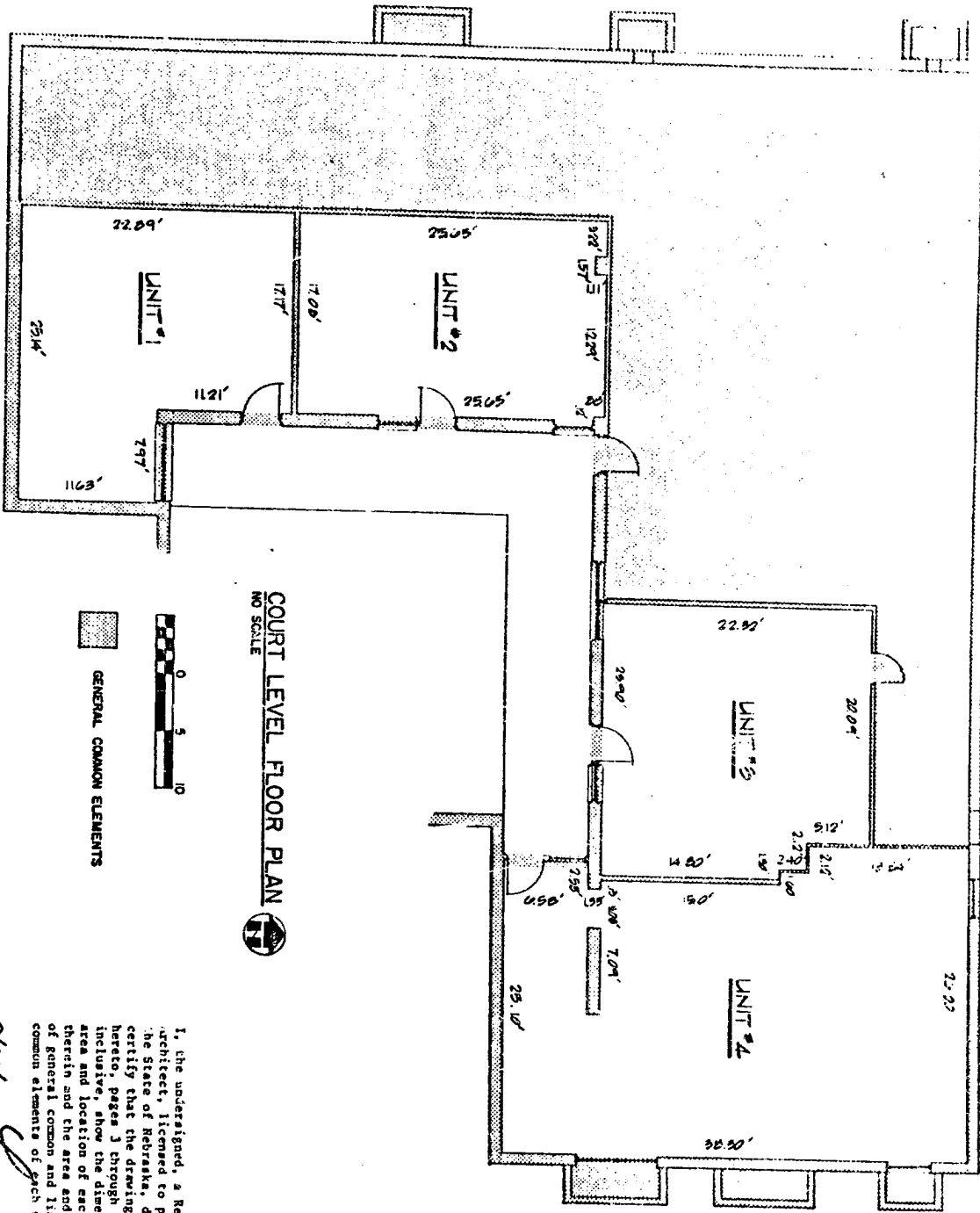
Book 81-E Page 6162

Date 9-22-82

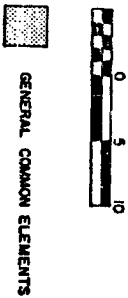
Sheet 2 of 6
 Job Number 82-00-43

lamp, rymearson & associates, inc.
 architects engineers surveyors planners

9263 west dodge road omaha, nebraska 68114 402-387-3008
 323 w. koenig street grand island, nebraska 68801 308-382-4077



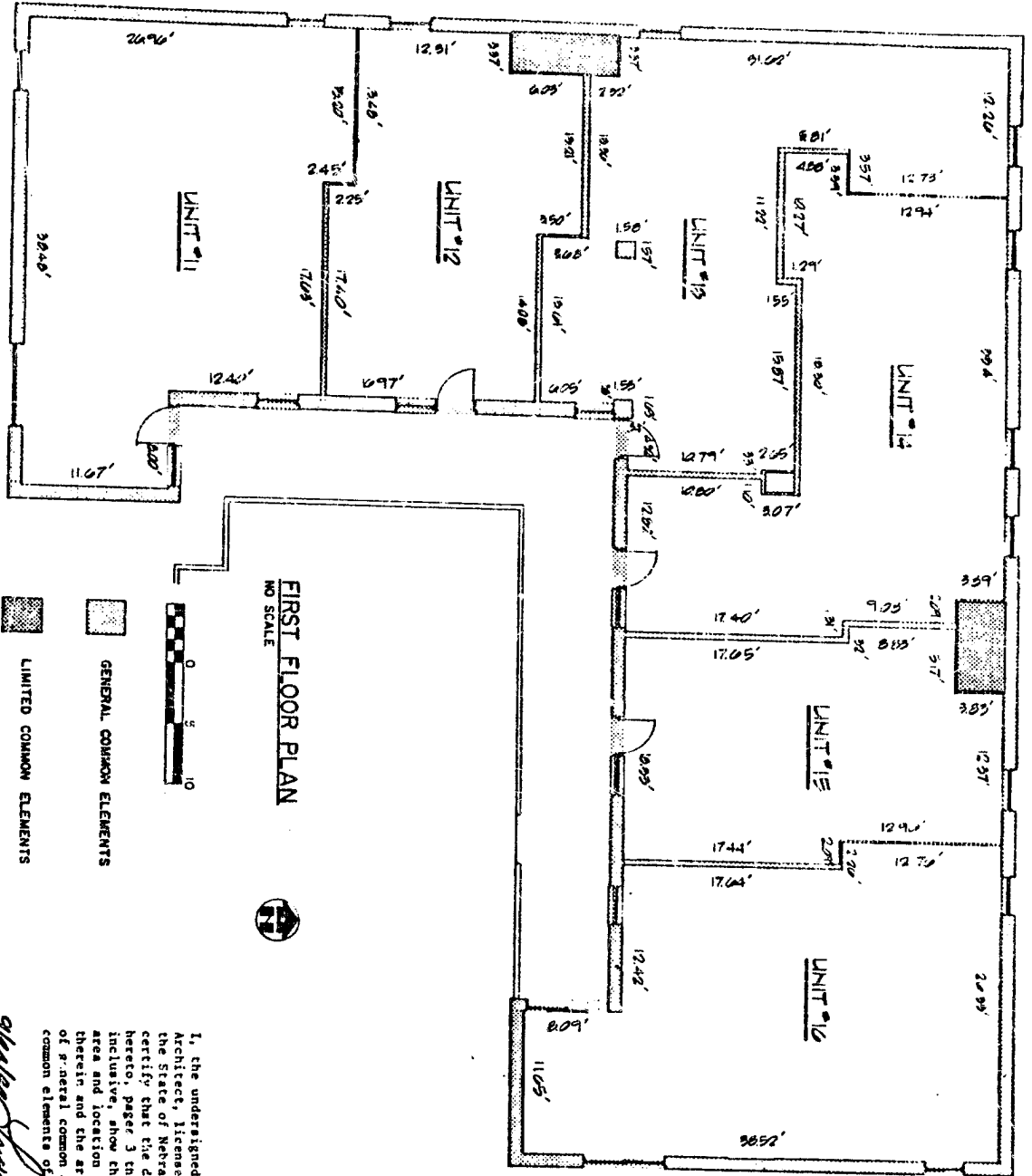
COURT LEVEL FLOOR PLAN
NO SCALE



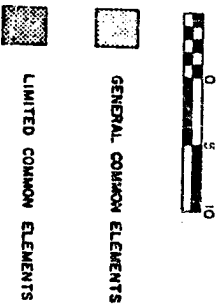
I, the undersigned, a Registered Architect, licensed to practice in the State of Nebraska, do hereby certify that the drawings attached hereto, pages 3 through 6, inclusive, show the dimensions, area and location of each unit therein and the area and location of general common and limited common elements of each unit.

Robert J. Rynearson
 Date: *10/1/05*
 Reference: O. S. N. A. I. A. N.

PROJECT NO. SHEET NO.	lamp, rynearson & associates, inc. <small>ARCHITECTS</small> 2220 WEST BROADWAY SUITE 200 OMAHA, NEBRASKA 68102 PHONE 402.491.1111 FAX 402.491.1112	COURT LEVEL FLOOR PLAN
TERRA COTTA CONDOMINIUMS 120 SOUTH 34th AVENUE, OMAHA, NEBRASKA		



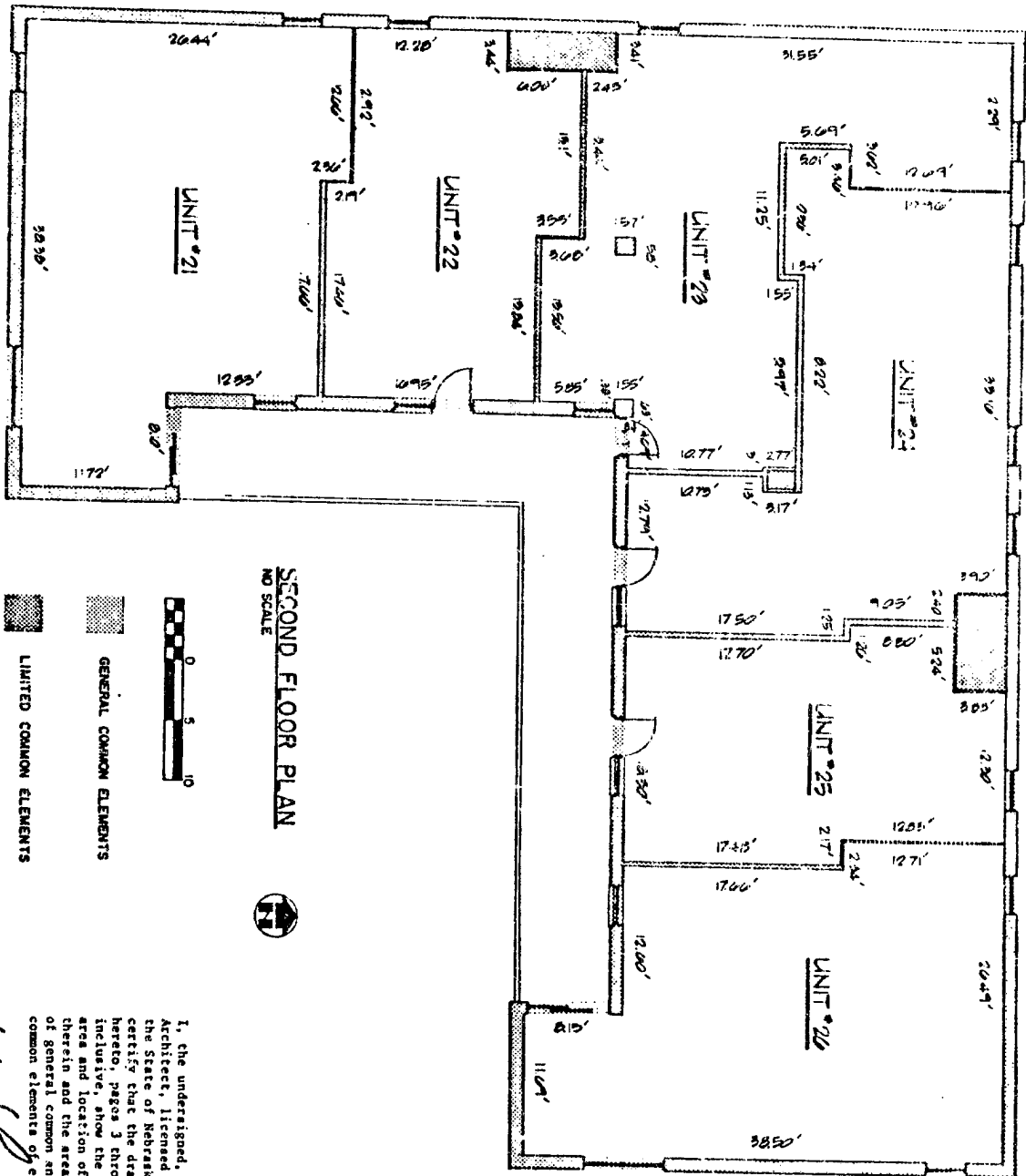
FIRST FLOOR PLAN
NO SCALE



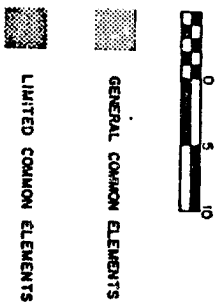
I, the undersigned, a Registered Architect, licensed to practice in the State of Nebraska, do hereby certify that the drawings attached hereto, pages 3 through 6, inclusive, show the dimensions, area and location of each unit therein and the area and location of several common and limited common elements of each unit.

Laurence C. Hunt
Date: _____
Laurence C. Hunt, A.I.A.

<p>DESIGNED BY: _____</p> <p>DRAWN BY: _____</p> <p>CHECKED BY: _____</p> <p>DATE: _____</p>	<p>lamp, ryncarson & associates, inc.</p> <p>ARCHITECTS</p> <p>2000 WEST WEDGE ROAD SUITE 2011A LINCOLN, NEBRASKA 68514</p> <p>TERRA COTTA CONDOMINIUMS 180 SOUTH 28th AVENUE, OMAHA, NEBRASKA</p>	<p>FIRST FLOOR PLAN</p>
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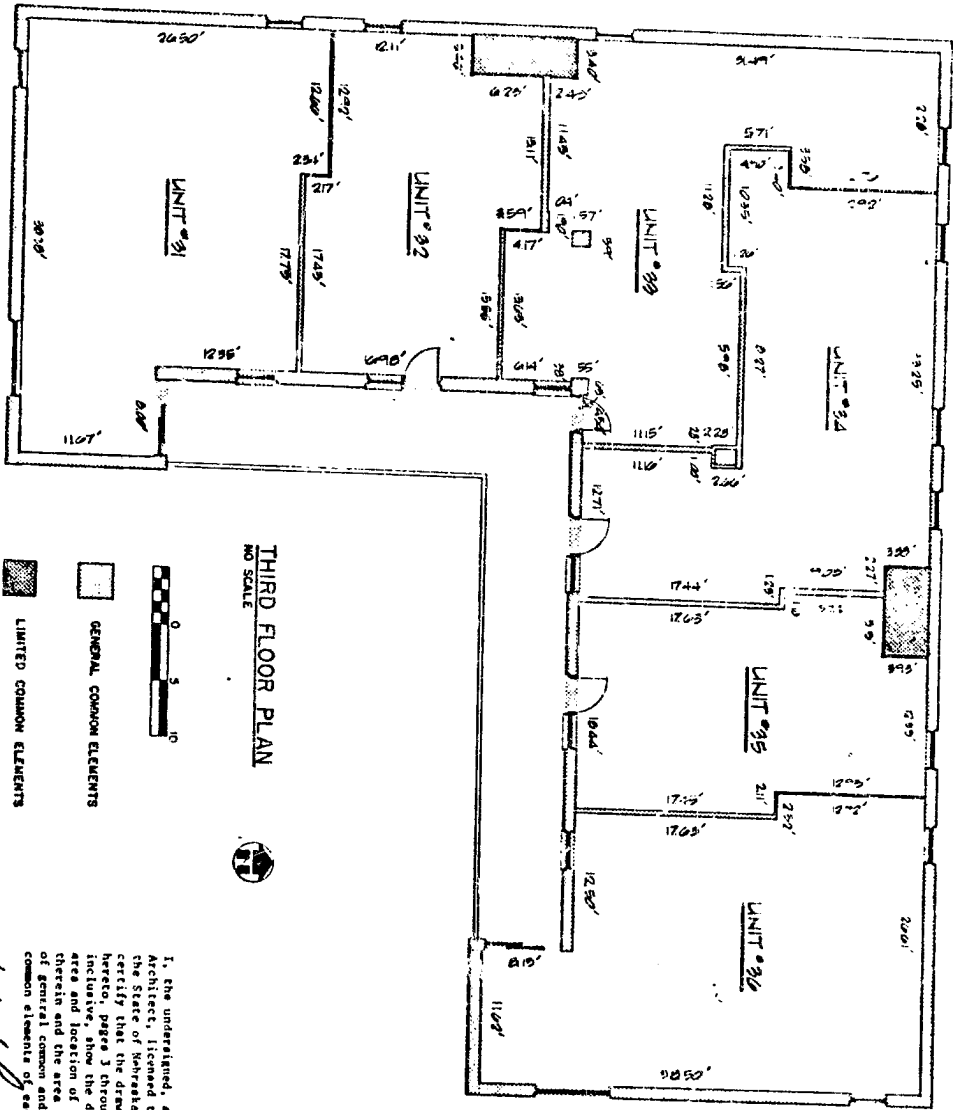
SECOND FLOOR PLAN
NO SCALE



I, the undersigned, a Registered Architect, licensed to practice in the State of Nebraska, do hereby certify that the drawings attached hereto, pages 3 through 6, inclusive, show the dimensions, area and location of each unit therein and the area and location of general common and limited common elements of each unit.

Laurence O. Hunt
 Date: _____
 Launce O. Hunt, A.I.A.

<p>DATE: 11/11/03 DRAWN BY: [Name] CHECKED BY: [Name]</p>	<p>PROJECT: TERRA COTTA CONDOMINIUMS SHEET: 202 SCALE: AS SHOWN</p>	<p>lamp, ryerson & associates, inc. ARCHITECTS 2020 WEST EDGE ROAD OMAHA, NEBRASKA 68114 402.497.8100</p>	<p>SECOND FLOOR PLAN</p>
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THIRD FLOOR PLAN
NO SCALE

- GENERAL COMMON ELEMENTS
- LIMITED COMMON ELEMENTS

I, the undersigned, a Registered Architect, licensed to practice in the State of Nebraska, do hereby certify that the drawings attached hereto, pages 3 through 6, inclusive, show the dimensions, area and location of each unit therein and the area and location of general common and limited common elements of each unit.

Lawrence O. Hunt, AIA
 LAWRENCE O. HUNT, AIA

<p>lamp, rynerson & associates, inc. ARCHITECTS 1000 WEST 26TH STREET, SUITE 100, OMAHA, NE 68104</p>		<p>THIRD FLOOR PLAN</p>
<p>TERRA COTTA CONDOMINIUMS 100 WEST 26TH STREET, SUITE 100, OMAHA, NE 68104</p>		

4 Third Floor

REFILED

RECEIVED
1983 FEB 22 PM 1:07

RECEIVED
1982 OCT 15 PM 3:29

1689
 8:50 7:15
 10% Reed

1693
 8:50 6:21
 10% Reed

10% Reed
 10% Reed
 10% Reed

Compod
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30A-162.63
 30A-162.63

88

BY-LAWS

OF

TERRA COTTA CONDOMINIUMS

OMAHA , NEBRASKA

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The property located in the City of Omaha , the County of Douglas , State of Nebraska (hereinafter called the "Property"), has been submitted to the provisions of the Condominium Property Act of the State of Nebraska [Sections 76-801 to 76-823, Neb. Rev. Stat. (Reissue 1981)], by the Master Deed recorded in the land records in and for DOUGLAS County, Nebraska, simultaneously herewith, and shall hereinafter be known as "Terra Cotta Condominiums" (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. All present and future owners, mortgagees, lessees and occupants of Units and their employees and any other person who may use the facilities of the Property 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 the entering into of a lease or the act of occupancy of a Unit shall conclusively establish the acceptance and ratification of these By-Laws, the Rules and Regulations and the provisions of the Master Deed, as they may be amended from time to time, by the person so acquiring, leasing or occupying a Unit and shall constitute and evidence an agreement by such person to comply with the same.

Section 3. Office. The office of the Condominium and of the Board of Administrators shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Administrators.

ARTICLE II

Association of Co-Owners

Section 1. Composition. All of the Co-Owners of Units contained in the Condominium, acting as a group in accordance with the Condominium Property Act, the Master Deed and these By-Laws,

BOOK 1700 PAGE 509

shall constitute the "Association of Co-Owners", who shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium, and performing all of the other acts that may be required to be performed by the Association of Co-Owners by the Condominium Property Act and the Master Deed. Except as to those matters which the Condominium Property Act specifically requires to be performed by the vote of the Co-Owners of the Units, the administration of the foregoing responsibilities shall be performed by the Board of Administrators as more particularly set forth in Article III.

Section 2. Annual Meetings. Promptly after the last Unit has been sold by the Developer and such sale has been closed or two (2) years from the date of filing the Master Deed (whichever event shall occur first), the Developer shall notify the Co-Owners of the Units, and the first annual meeting of the Association of Co-Owners shall be held within 30 days thereafter on a call issued by the President. At such meeting the persons designated by the Developer shall resign as members of the Board of Administrators, and all of the Co-Owners, including the Developer if the Developer owns any Unit or Units, shall elect a new Board of Administrators. Thereafter, the annual meetings of the Association of Co-Owners shall be held on the 10th day of December of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such annual meetings the Board of Administrators shall be elected by ballot of the Co-Owners in accordance with the requirements of Section 4 of Article III of these By-Laws. The Association of Co-Owners may transact such other business at such meetings as may properly come before them. Until such first annual meeting, the Developer shall be entitled to elect all of the members of the Board of Administrators.

Section 3. Place of Meetings. Meetings of the Association of Co-Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Administrators.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association of Co-Owners if so directed by resolution of the Board of Administrators or upon a petition signed and presented to the Secretary by Co-Owners owning not less than 25% of the Percentage Interests of all Co-Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Co-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 Co-Owner of record, at such address as each Co-Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 6. Adjournment of Meetings. If any meetings of the Association of Co-Owners cannot be held because a quorum is not present, Co-Owners owning a majority of the Percentage Interests 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.

Section 7. Order of Business. The order of business at all annual meetings of the Association of Co-Owners shall be as follows:

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

Section 8. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or in any other real estate tenancy relationship recognized under the laws of the State of Nebraska, or in the name of one or more corporation(s) or partnership(s), or in the name of a fiduciary.

Section 9. Voting. Voting at all meetings of the Association of Co-Owners shall be on a percentage basis and the percentages of the vote to which each Co-Owner is entitled shall be the Percentage Interest assigned to his Unit in the Master Deed. Where the ownership of a Unit is in more than one person, then the person who shall be entitled to cast the vote of that Unit shall be the person named in a certificate signed by all of the owners of the Unit and filed with the Secretary. Such certificate shall be valid until revoked by a subsequent certificate. Wherever the approval or disapproval of a Co-Owner is required by the Condominium Property Act, the Master Deed or these By-Laws, such approval or disapproval shall only be made by the person who would be entitled to cast the vote for the Co-Owner of such Unit at any meeting of the Association of Co-Owners. Except where a greater number is required by the Condominium Property Act, the Master Deed, or these By-Laws, a majority of the Co-Owners present is required to adopt decisions at any meeting of the Association of Co-Owners. If the Developer or the Board of Administrators owns or

holds title to one or more Units, the Developer or the Board of Administrators, as the case may be, shall have the right at any meeting of the Association of Co-Owners to cast the votes to which such Unit(s) is entitled.

Section 10. Proxies. A vote may be cast in person or by proxy. Proxies may be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

Section 11. Majority of Co-Owners. As used in these By-Laws, the term "majority of the Co-Owners" shall mean those Co-Owners having more than fifty percent (50%) of the aggregate Percentage Interests of all Co-Owners. Any specified percentage or proportion of the Co-Owner means the Co-Owner of such number of Percentage Interests in the aggregate.

Section 12. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the Co-Owners shall constitute a quorum at all meetings of the Association of Co-Owners.

Section 13. Conduct of Meeting. The President shall preside over all meetings of the Association of Co-Owners and the Secretary-Treasurer shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association of Co-Owners when not in conflict with the Master Deed, these By-Laws or the Condominium Property Act.

ARTICLE III

Board of Administrators

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Administrators. The Board of Administrators shall be composed of five (5) persons, all of whom shall be officers, directors or designees of the Developer or Co-Owners of Units; provided, however, that anything in these By-Laws to the contrary notwithstanding, until the first annual meeting of the Association of Co-Owners (as provided in Article II, Section 2):

(a) all of the members of the Board of Administrators shall be selected and designated by the Developer; and

(b) the Developer shall have the right in its sole discretion to replace such Administrators as may be so selected and designated by it, and to select and designate their successors.

Section 2. Powers and Duties. The Board of Administrators shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Property Act or by these By-Laws directed to be exercised and done by the Association of Co-Owners. The Board of Administrators shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Condominium Property Act or the Master Deed. The Board of Administrators shall delegate to one of its members the authority to act on behalf of the Board of Administrators on all matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Board of Administrators. In addition to the duties imposed by these By-Laws or by any resolution of the Association of Co-Owners that may hereafter be adopted, the Board of Administrators shall have the power to, and be responsible for, the following:

- (a) Preparation of an annual budget, in which there shall be established the contribution of each Co-Owner to the Common Expenses.
- (b) Making assessments against Co-Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Co-Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Administrators, the annual assessment against each Co-Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.
- (c) Providing for the operation, care, upkeep, maintenance and surveillance of all of the Property and services of the Condominium.
- (d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Co-Owners.
- (e) Collecting the assessments against the Co-Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.
- (f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, 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.

(i) Enforcing by legal means the provisions of the Master Deed, these By-Laws and the Rules and Regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Co-Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in Article VI of these By-Laws, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Condominium and not billed to Co-Owners of individual Units.

(l) Keeping books with detailed accounts in chronological order to the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by any Co-Owner, his duly authorized agent or attorney, or by any prospective purchaser of a Unit, at convenient hours on working days at the times and in the manner that shall be set and announced by the Board of Administrators for the general knowledge of the Co-Owners. Any prospective purchaser must be designated as such by a Co-Owner in writing. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board of Administrators who shall not be a resident of the Condominium, or a Co-Owner. The cost of such audit shall be a Common Expense.

(m) Notifying the mortgagee of any Unit of any default by the Co-Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

(n) To do such other things and acts not inconsistent with the Condominium Property Act and with the Master Deed which it may be authorized to do by a resolution of the Association.

Section 3. Managing Agent. The Board of Administrators may employ for the Condominium a professional Managing Agent 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 paragraphs (a), (c), (d), (e), (h), (j), (k), (l), (m), and (n) of Section 2 of this Article III. The Board of Administrators may delegate to the Managing Agent all of the powers granted to the Board of Administrators by these By-Laws other than the powers set forth in paragraphs (b), (f), (g), and (i), of Section 2 of this Article III.

Section 4. Election and Term of Office. At the first annual meeting of the Association of Co-Owners, the term of office of two (2) members of the Board of Administrators shall be fixed at three (3) years, the term of office of two (2) members of the Board of Administrators shall be fixed at two (2) years, and the term of office of one (1) member of the Board of Administrators shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Administrators his successor shall be elected to serve for a term of three (3) years. The members of the Board of Administrators shall hold office until their respective successors shall have been elected by the Association of Co-Owners.

Except as otherwise provided herein, nominations for election to the Board of Administrators shall be made separately for each position to be elected by ballot. The names placed in nomination shall be submitted to a vote of the Co-Owners. In the event that no candidate receives the vote of a majority of Co-Owners, the names of the two (2) candidates receiving the greatest number of votes on the first ballot shall be resubmitted for a vote of the Co-Owners and the candidate receiving the greatest number of votes on the second ballot shall be deemed to be elected to such position on the Board of Administrators.

Section 5. Removal of Members of the Board of Administrators At any regular or special meeting duly called, any one or more of the members of the Board of Administrators may be removed with or without cause by a majority of the Co-Owners, and a successor may then and there be elected to fill the vacancy thus created. Any administrator whose removal has been proposed by the Co-Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and he shall be given an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, so long as the Developer is entitled to elect all of the members of the Board of Administrators (as provided in Article II, Section 2), no person selected and designated by the Developer as a member of the Board of Administrators may be removed without the consent of the Developer and in such event the Developer shall select and designate his successor.

Section 6: Vacancies. Vacancies in the Board of Administrators caused by any reason other than the removal of an administrator by a vote of the Association of Co-Owners shall be

filled by a vote of a majority of the remaining administrators at a special meeting of the Board of Administrators held for that purpose promptly after the occurrence of any such vacancy, even though the administrators present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Administrators for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Association of Co-Owners; provided, however, that the vacancy of any Administrator designated by the Developer pursuant to a right of the Developer to make such designation shall be filled by the Developer.

Section 7. Organization Meeting. The first meeting of the members of the Board of Administrators following the annual meeting of the Association of Co-Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Association of Co-Owners at the meeting at which such Board of Administrators shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Administrators in order legally to constitute such meeting, providing a majority of the whole Board of Administrators shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Administrators may be held at such time and place as shall be determined from time to time by a majority of the administrators, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Administrators shall be given to each administrator, in person, by mail or by telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Administrators may be called by the President on three (3) business days' notice to each administrator, given personally, by mail or by telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Administrators shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two (2) administrators.

Section 10. Waiver of Notice. Any administrator may, at any time, in writing, waive notice of any meeting of the Board of Administrators, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an administrator at any meeting of the Board of Administrators shall constitute a waiver of notice by him of the time and place of such meeting. If all administrators are present at any meeting of the Board of Administrators, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Administrators. At all meetings of the Board of Administrators, a majority of the administrators shall constitute a quorum for the transaction of business, and the votes of a majority of the administrators present at a

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

Section 12. Fidelity Bonds. The Board of Administrators shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No administrator shall receive any compensation from the Condominium for acting as such.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Administrators and the Secretary-Treasurer shall keep a Minute Book of the Board of Administrators recording therein all resolutions adopted by the Board of Administrators and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Board of Administrators when not in conflict with the Master Deed, these By-Laws or the Condominium Property Act.

Section 15. Liability of the Board of Administrators. The members of the Board of Administrators shall not be liable to the Co-Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Co-Owners shall indemnify and hold harmless each of the administrators from and against all contractual liability to others arising out of contracts made by the Board of Administrators on behalf of the Co-Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Co-Owners. It is also intended that the liability of any Co-Owner arising out of any contract made by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the Board of Administrators shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Co-Owners. Every agreement made by the Board of Administrators or by the Managing Agent on behalf of the Co-Owners shall, if obtainable, provide that the members of the Board of Administrators, or the Managing Agent, as the case may be, are acting only as agents for the Co-Owners and shall have no personal liability thereunder (except as Co-Owners), and that each Co-Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Co-Owners.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, and the Secretary-Treasurer, all of whom shall be elected by the Board of Administrators. The Board of Administrators may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Administrators. Any other officers may be, but shall not be required to be, members of the Board of Administrators.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Administrators at the organization meeting of each new Board of Administrators and shall hold office at the pleasure of the Board of Administrators.

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

Section 4. President. The President shall be the chief executive of the Condominium. He shall preside at all meetings of the Association of Co-Owners and of the Board of Administrators. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Act of the State of Nebraska, including, but not limited to, the power to appoint committees from among the Co-Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Administrators shall appoint some other member of the Board of Administrators to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Administrators or by the President.

Section 6. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Association of Co-Owners and of the Board of Administrators; he shall have charge of such books and papers as the Board of Administrators may direct; he shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required

financial data; he shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Administrators, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Administrators, and he shall, in general, perform all the duties incident to the office of secretary and treasurer of a stock corporation organized under the Business Corporation Act of the State of Nebraska.

Section 7. Agreements, Contracts, Deeds, Checks, etc.
All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Administrators.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Assessments Against Co-Owners.

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of such year.

(b) Preparation and Approval of Budget. Each year on or before December 1st, the Board of Administrators shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Administrators to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Property Act, these By-Laws or a resolution of the Association of Co-Owners, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Co-Owners of all related services. Such budget shall also include such reasonable amounts as the Board of Administrators considers necessary to provide working capital for the Condominium, a general operating reserve, and reserves for contingencies and replacements. The Board of Administrators shall send to each Co-Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Co-Owner, on or before December 10 preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Co-Owner's contribution for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Administrators shall be assessed against each Co-Owner in proportion to his respective Percentage Interest, and shall be a lien against each Co-Owner's Unit as of the first day of the fiscal year to which such budget applies. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Co-Owner shall be obligated to pay to the Board of Administrators or the Managing Agent (as determined by the Board of Administrators), one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty (60) days after the end of each fiscal year, the Board of Administrators shall supply to all Co-Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Administrators for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Administrators deems it advisable, be credited according to each Co-Owner's Percentage Interest to the next monthly installments due from Co-Owners under the current fiscal year's budget, until exhausted, and any net shortage shall, if the Board of Administrators deems it advisable, be added according to each Co-Owner's Percentage Interest to the installments due in the succeeding six (6) months after the rendering of the accounting. Notwithstanding the foregoing, during the period ending one (1) year after the date of recording the Master Deed, the Developer shall pay all of the Common Expenses of the Condominium.

(d) Reserves. The Board of Administrators shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Co-Owner's assessment, the Board of Administrators may at any time levy a further assessment, which shall be assessed against the Co-Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Board of Administrators may determine. The Board of Administrators shall serve notice of any such further assessment on all Co-Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Co-Owners shall be obligated to pay

the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment. The foregoing notwithstanding, during the period ending one (1) year after the filing of the Master Deed, the Developer shall establish, from the Developer's funds and without contribution from the Co-Owners, an initial reserve fund for the Condominium in the amount of \$1,000.00.

(e) Initial Assessment: When the first Board of Administrators elected under these By-Laws, as provided in Article III, Section 2 hereof, takes office, it shall determine the budget, as defined in this Section, for the period, commencing thirty (30) days after their election and ending on December 31 of the fiscal year in which their election occurs. Assessments shall be levied against the Co-Owners during said period as provided in paragraph (c) of this Section.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Administrators to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Co-Owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Co-Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the monthly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(g) Accounts. All sums collected by the Board of Administrators with respect to assessments against the Co-Owners may be commingled into a single fund, but shall be held for each Co-Owner in accordance with his Percentage Interest.

Section 2. Payment of Common Expenses. All Co-Owners shall be obligated to pay the Common Expenses assessed by the Board of Administrators pursuant to the provisions of Section 1 of this Article V. No Co-Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit. No Co-Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit. The purchaser of a unit shall be jointly and severally liable with the selling Co-Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Co-Owner the amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement from the Board of Administrators or Managing Agent setting forth the amount of the unpaid assessments

against the selling Co-Owner and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that if a mortgagee of a first mortgage of record shall obtain title to the Unit as a result of foreclosure of a first mortgage or as a result of a trustee's sale under a trust deed, such mortgagee, its successors and assigns shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale shall be collectible from all Co-Owners, including the purchaser at the foreclosure sale, in proportion to their respective Percentage Interests. Upon the sale or conveyance of a Unit, all unpaid assessments against a Co-Owner for his proportionate share of the Common Expenses shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except (i) assessments, liens and charges for taxes past due and unpaid on the Unit and (ii) payments due under duly recorded mortgage and lien instruments.

Section 3. Collection of Assessments. The Board of Administrators shall take prompt action to collect any assessments for Common Expenses due from any Co-Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 4. Statement of Common Expenses. The Board of Administrators shall promptly provide any Co-Owner so requesting the same in writing, with a written statement of all unpaid assessments for Common Expenses due from such Co-Owner.

Section 5. Maintenance and Repair.

(a) By the Board of Administrators.

(1) The Board of Administrators shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of a Co-Owner, in which case such expense shall be charged to such Co-Owner) of the following, the cost of which shall be charged to all Co-Owners as a Common Expense:

- (i) All of the Common Elements, whether located inside or outside of the Units, and whether General or Limited.
- (ii) All portions of the Units which contribute to the support of the Building, excluding, however, the surfaces of all walls and floors of a Unit.
- (iii) The maintenance of the exterior surface of the front door of each Unit opening on to the corridor.

- (iv) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Board of Administrators in accordance therewith.

(2) During the period of time for one (1) year after the date of filing of the Master Deed, the Board of Administrators shall be responsible for the repair of all kitchen appliances located inside Units. The cost of such repairs shall be charged to all Co-Owners as a Common Expense. Thereafter, such repairs shall be the responsibility and expense of the Co-Owner whose appliance needs repair.

(b) By the Co-Owner.

(1) Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Administrators, each Co-Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of everything contained within his Unit including the following: any interior walls, kitchen and bathroom fixtures and equipment, refrigerator and range, gas fireplace fixture, lighting, heating and air-conditioning unit, those parts of the plumbing system which are wholly contained within his Unit, windows and sliding glass doors. Each Co-Owner shall replace and maintain the light located in the entry alcove outside of the Unit and pay the charge for electricity to operate such light. Each Co-Owner shall keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance of his Unit. Each Co-Owner shall keep his patio or balcony in a clean and sanitary condition, including snow removal therefrom. In addition, each Co-Owner shall be responsible for all damages to any and all other Units or to the Common Elements resulting from his failure to make any of the repairs required to be made by him by this Section. Each Co-Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Co-Owners. Each Co-Owner shall promptly report to the Board of Administrators or the Managing Agent any defect or need for repairs for which the Board of Administrators is responsible. Each Co-Owner shall promptly report to the Board of Administrators evidence of termites or other bugs, pests or rodents.

(2) Each Co-Owner shall carry out at his sole expense any works of modification, repair, cleaning, safety, and improvement of his Unit without disturbing the legal use and enjoyment of the rights of the other

Co-Owners, or changing the exterior form of the facades, or painting exterior walls, doors or windows in colors or hues different from those of the whole, and without jeopardizing the soundness or safety of the Property, reducing its value or impairing any easement or access to or use of Common Elements.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Administrators.

Section 6. Additions, Alterations or Improvements by Board of Administrators. Whenever in the judgment of the Board of Administrators the Common Elements shall require additions, alterations or improvements costing in excess of Five Thousand Dollars (\$5,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a majority of the Co-Owners, the Board of Administrators shall proceed with such additions, alterations or improvements and shall assess all Co-Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000) or less during any period of twelve (12) consecutive months may be made by the Board of Administrators without approval of the Co-Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, if, in the opinion of not less than 75% of the members of the Board of Administrators, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Co-Owner or Co-Owners requesting the same, such requesting Co-Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Administrators. No Administrator may vote on whether such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of himself, but, in such case, not less than 75% of the other Administrators shall make such determination. The foregoing notwithstanding, the Board of Administrators may not lease the Common Elements without the affirmative vote of at least 75% of the Co-Owners.

Section 7. Additions, Alterations or Improvements by Co-Owners. No Co-Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Administrators. The Board of Administrators shall be obligated to answer any written request by a Co-Owner for approval of a proposed structural addition, alteration or improvement in such Co-Owner's Unit within thirty (30) days after such request, and its 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 7 shall not apply to Units owned by the Developer until such Units shall have been initially sold by the Developer and paid for.

Section 8. Combining Units. If any Co-Owner of two or more adjoining Units wishes to physically combine the two or more Units (either horizontally or vertically adjoining) into one, he shall submit his written request to the Board of Administrators along with detailed drawings of the proposed alterations necessary to the Units and Common Elements. The prior written consent of the Board of Administrators for any such combination of Units shall be required. The Board of Administrators shall be obligated to answer any such written request by a Co-Owner for approval within thirty (30) days after such request, and its failure to do so within the stipulated time shall constitute consent by the Board of such request. If the Board of Administrators approves such request, it shall grant an easement for any encroachment by such Co-Owner on the Common Elements caused by the alterations. For purposes of the Master Deed and these By-Laws, the Units shall continue to be treated as separate Units, e.g. for purposes of assessment of Common Expenses, voting by Co-Owners and conveyancing. Any application to any governmental authority for a permit to make any alterations to the Units or the Common Elements 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 alteration, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 8 shall not apply to Units owned by the Developer until such Units shall have been initially sold by the Developer and paid for.

Section 9. Restrictions on Use of Units. Each Unit and the Common Elements shall be occupied and used as follows:

(a) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be used as a residence for a single family and for no other purpose. The right is reserved by the Developer or its agent to use any unsold Unit or Units for sales or display purposes.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property, or the contents thereof, applicable for residential or professional use, without the prior written consent of the Board of Administrators. No Co-Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of

insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

(c) No immoral, improper, abnormal, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Co-Owner or the Board of Administrators, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Property or which would structurally change the Building except as is otherwise provided in the By-Laws.

(e) No tenant of a Unit may make any noise or cause any annoyance or do any act that may disturb the peace of the other Co-Owners or tenants.

(f) Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Administrators.

(g) The Common Elements 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.

(h) No antennas may be erected by any Co-Owner.

(i) No waterbeds may be used or set up in Units above the first floor of the Building.

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

(k) No fireplace may be used for burning of wood or other materials, except for gas.

(l) Each Co-Owner shall maintain the physical security of the Building including keeping locks on exterior Unit doors, sliding glass doors, and windows in good repair.

(m) No items may be stored on balconies or patios.

(n) Patios and balconies may not be totally or partially enclosed without the permission of the Board of Administrators.

(o) No pets are allowed on the Common Elements or within any Unit without the permission of the Board of Administrators. In no event shall large animals be permitted in the Units or on the Common Elements.

(p) Each Co-Owner shall be responsible for the control of cooking odors within his Unit by appropriate use of kitchen vents provided for such purpose.

Section 10. Right of Access. A Co-Owner shall grant a right of access to his Unit to the Board of Administrators or the Managing Agent, or any other person authorized by the Board of Administrators or the Managing Agent, or any group of the foregoing, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in his Unit or elsewhere in the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Co-Owner. In case of an emergency, such right of entry shall be immediate, whether the Co-Owner is present at the time or not.

Section 11. Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements may be promulgated and amended by the Board of Administrators, provided that such Rules and Regulations are not contrary to or inconsistent with the Condominium Property Act, the Master Deed or the By-Laws. Copies of the Rules and Regulations shall be furnished by the Board of Administrators to each Co-Owner prior to the time when the same shall become effective.

Section 12. Electricity, Water, Gas Charges and Sewer Rents and Cable Television. Electricity and Gas shall be supplied by the public utility company serving the area directly to each Unit through separate meters and each Co-Owner shall be required to pay the bills for utilities consumed or used in his Unit. The electricity serving the Common Elements shall be separately metered, and ;the Board of Administrators shall pay all bills for electricity consumed in such portions of the Common Elements as a Common Expense. The Board of Administrators shall pay as a Common Expense all bills for gas, water, sewer, cable television and garbage collection.

Section 13. Parking Spaces and Storage Areas. All parts of the Common Elements identified as parking areas in the Plat of Condominium Subdivision recorded simultaneously with the Master Deed and these By-Laws shall be used by the Co-Owners for self-service parking purposes and may be assigned to each Co-Owner by the Board of Administrators on a first-come, first-serve basis. The Board of Administrators may, in its discretion, charge a monetary rental for use of certain parking spaces. Storage areas may be assigned to Co-Owners for use by them on a first-come, first-serve basis. The cost of maintenance and repair of all parking areas and storage areas shall be a Common Expense.

ARTICLE VI

Insurance

Section 1. Authority to Purchase. Except as otherwise provided in Section 3 of this Article VI, all insurance policies relating to the Property shall be purchased by the Board of Administrators as trustee for the Co-Owners of the Units and their respective mortgagees, as their interests may appear, which insurance shall be governed by the following provisions:

(a) The Board of Administrators shall be required to make every effort to obtain a single master policy covering physical damage for the entire Property under which the insurance company will issue to each Co-Owner a certificate or sub-policy specifying the portion of the master policy allocated to each Co-Owner's Unit and his Percentage Interest in the Common Elements. The master policy shall also provide that (i) each Co-Owner shall have the right to request an increase in the coverage allocated to his Unit by reason of improvements made solely to his Unit, but any additional premium resulting from such additional coverage shall be billed by the insurance company directly to, and shall be paid by, such Co-Owner; and (ii) each Co-Owner shall have the right to obtain, at his own expense, an endorsement to the master policy insuring him for the cost of emergency shelter in the event of damage rendering his Unit uninhabitable.

(b) In addition, the Board of Administrators shall be required to make every effort to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of subrogation to any claims against the Board of Administrators, the Managing Agent, the Co-Owners and their respective agents,

employees, guests, tenants and, in the case of the Co-Owners, the members of their households;

(2) That the master policy on the Property cannot be cancelled, invalidated, or suspended on account of the conduct of any member, officer or employee of the Board of Administrators or the Managing Agent, without a prior demand in writing that the Board of Administrators or the Managing Agent cure the defect;

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Co-Owners' policies from its operation;

(4) That until the expiration of ten (10) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Co-Owner of such Unit, the other Co-Owners, the Board of Administrators, or any of their agents, employees or household members, nor cancelled for non-payment of premiums;

(5) That the master policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Board of Administrators and all mortgagees of Units;

(6) That the net proceeds of such policies, if less than Twenty-Five Thousand Dollars (\$25,000), shall be payable to the Board of Administrators, and if more than Twenty-Five Thousand Dollars (\$25,000) shall be payable to the Insurance Trustee designated in Section 4 of this Article;

(7) That the master policy shall contain a standard mortgagee clause in favor of each mortgagee of a Unit to the extent of the portion of the coverage of the master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee and the Co-Owner as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Sections 4 and 5 of this Article VI.

(c) All policies of insurance shall be written with a company licensed to do business in the State of Nebraska and holding a rating of most favorable or equivalent by Best's Insurance Reports.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Administrators hereunder be brought into contribution with insurance purchased by individual Co-Owners or their mortgagees, unless otherwise required by Nebraska or other applicable law or insurance company regulations.

(e) Each Co-Owner shall be required to notify the Board of Administrators of all improvements made by the Co-Owner to his Unit, the value of which is in excess of Three Thousand Dollars (\$3,000).

(f) Any Co-Owner who obtains individual insurance policies covering any portion of the Property, other than personal property belonging to such Co-Owner, shall be required to file a copy of such individual policy or policies with the Board of Administrators within thirty (30) days after the purchase of such insurance.

Section 2. Insurance Coverage.

(a) The Board of Administrators shall be required to obtain and maintain the following insurance: (1) fire insurance with extended coverage, vandalism, malicious mischief and wind-storm endorsements, insuring the entire Property (including all of the Units and the bathroom and kitchen fixtures initially located therein upon the creation of the Condominium, but not including furniture, furnishings, or other personal property supplied or installed by Co-Owners), together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Board of Administrators and all Co-Owners and their mortgagees, as their interests may appear, in an amount equal to the maximum insurable replacement value of the Property, without deduction for depreciation; (2) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and (3) such other insurance as the Board of Administrators may determine or as may be requested from time to time by a majority of the Co-Owners.

(b) The Board of Administrators shall also be required to obtain and maintain, to the extent obtainable, public liability and property damage insurance in such limits as the Board of Administrators may from time to time determine, insuring each member of the Board of Administrators, the Managing Agent, and each Co-Owner against any liability to the public or to the Co-Owners (and their invitees, agents and employees) arising out of, or incident to, the ownership and/or use of the Common Elements. Said insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Administrators shall review such limits once each year, but in no event shall such insurance be less than Two Hundred Thousand Dollars (\$200,000) with respect to any one person and Five Hundred Thousand Dollars (\$500,000) with respect to any one accident or occurrence and Fifty Thousand Dollars (\$50,000) with respect to any claim for property damage.

It shall be the responsibility of each Co-Owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of his Unit, and the Board of Directors shall not be responsible for obtaining such insurance.

(c) A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all sub-policies or certificates issued thereunder, 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. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Administrators shall obtain an appraisal from an insurance company, or such other source as the Board of Administrators may determine, of the full replacement value of the Property, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section.

Section 3. Separate Insurance. Each Co-Owner shall have the right, at his own expense, to obtain additional insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability, provided that no Co-Owner shall be entitled to exercise his right to acquire or maintain such additional insurance coverage so as to decrease the amount which the Board of Administrators, on behalf of all Co-Owners, may realize under any insurance policy which it may have in force on the Property at any particular time or to cause any insurance coverage maintained by the Board of Administrators to be brought into contribution with such additional insurance coverage obtained by the Co-Owner. All such additional policies shall contain waivers of subrogation.

Section 4. Insurance Trustee.

(a) The Board of Administrators shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company, or any institutional lender as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of these By-Laws.

(b) The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor for the failure to

collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these By-Laws, for the benefit of the Co-Owners of the Units and their respective mortgagees.

Section 5. Board of Administrators as Agent. The Board of Administrators is hereby irrevocably appointed the agent for each Co-Owner of a Unit and for each mortgagee of a Unit and for each owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Board of Administrators and to execute and deliver releases upon the payment of claims.

Section 6. Premiums. Premiums upon all insurance policies purchased by the Board of Administrators shall be deemed to be a Common Expense.

ARTICLE VII

Repair and Reconstruction After Fire
or Other Casualty

Section 1. When Repair and Reconstruction are Required. In the event of damage to or destruction of all or any part of the Building as a result of fire, or other casualty (unless more than three-fourths (3/4) of the Building is destroyed and three-fourths (3/4) of the Co-Owners fail to vote in favor of reconstruction and repair of the Buildings at a meeting called within one hundred (100) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within thirty (30) days thereafter), the Board of Administrators shall arrange for and supervise the prompt repair and restoration of the Building (including any damaged Units, and any floor coverings or any kitchen or bathroom fixtures initially located therein upon the creation of the Condominium, and replacements thereof installed by the Co-Owners, but not including any other furniture, furnishings, fixtures or equipment installed by the Co-Owners in the Units). Notwithstanding the foregoing, each Co-Owner shall have the right to supervise the redecorating of his own Unit.

Section 2: Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any Building, the Board of Administrators shall obtain reliable and detailed estimates of the cost of repairing and restoring the Building (including any damaged Units, and any floor coverings and kitchen and

bathroom fixtures initially located therein upon creation of the Condominium, and replacements thereof installed by the Co-Owner, but not including any other furniture, furnishings, fixtures or equipment installed by the Co-Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Administrators determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Administrators, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Co-Owners who own the damaged Units and against all Co-Owners in the case of damage to Common Elements, in sufficient amounts to provide payment of such costs. Such assessments against Co-Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments on account of damage to Common Elements shall be in proportion to the Co-Owners' respective Percentage Interests.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed.

(d) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Co-Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the Plat of Condominium Subdivision under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed Building shall stand.

Section 3. Disbursements of Construction Funds.

(a) Construction Fund. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Administrators from assessments against Co-Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. If the net proceeds of insurance collected on account of a casualty exceed Twenty-Five Thousand Dollars (\$25,000), then the funds collected by the Board of Administrators from assessments against the Co-Owners shall be deposited by the Board of Administrators with the Insurance Trustee, and the

entire construction fund shall be disbursed by the Insurance Trustee; otherwise the construction fund shall be held and disbursed by the Board of Administrators.

(b) Method of Disbursement. The construction fund shall be paid by the Board of Administrators or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the Building as are designated by the Board of Administrators.

(c) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Co-Owners and their mortgagees who are the beneficial owners of the fund; provided, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by the Co-Owner into the construction fund shall not be made payable to any mortgagee.

(d) Common Elements. When the damage is to both the Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Elements and the balance to the cost of repairing the Units in the shares set forth above.

(e) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, of the Condominium certifying (i) whether or not the damaged property is required to be reconstructed and repaired and, if such reconstruction and repair is not required, whether or not the Co-Owners have voted in favor of such reconstruction and repair as provided in these By-Laws; (ii) the name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Co-Owners; and (iii) all other matters concerning the holding and disbursing of any construction funds held by it. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 4. When Reconstruction is Not Required. If more than three-fourths (3/4) of the Building is destroyed by fire or other casualty and three-fourths (3/4) of the Co-Owners fail to vote in favor of repair or restoration, within the period of time prescribed by Section 1 of this Article VII; the Board of Administrators shall record, with the register of deeds, a

notice setting forth such facts, and upon the recording of such notice:

(a) The Property shall be deemed to be owned in common by the Co-Owners;

(b) The undivided interest in the Property owned in common which shall appertain to each Co-Owner shall be the percentage of undivided interest previously owned by such Co-Owner in the Common Elements;

(c) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Co-Owner in the Property; and

(d) The Property shall be subject to an action for partition at the suit of any Co-Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be considered as one fund and shall be divided among all the Co-Owners in a percentage equal to the Percentage Interest of each Co-Owner, after first paying out of the respective shares of the Co-Owners, to the extent sufficient for such purpose, all liens on the undivided interest in the property owned by each Co-Owner.

ARTICLE VIII

Condemnation

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Property, the award made for such taking shall be payable to the Board of Administrators if such award amounts to \$25,000 or less, and to the Insurance Trustee if such award amounts to more than \$25,000. Such award shall be disbursed as follows:

(a) If (i) less than three-fourths (3/4) of the Building is destroyed by such taking, or (ii) if more than three-fourths (3/4) of the Building is destroyed by such taking and three-fourths (3/4) of the Co-Owners vote in favor of the repair or reconstruction of the Property at a meeting which shall be called within one hundred (100) days after the taking, then in either case such reconstruction or repair shall be accomplished in the same manner as set forth in Article VII of these By-Laws in the case of damage by fire or other casualty.

(b) If more than three-fourths (3/4) of the Building is destroyed by such taking and three-fourths (3/4) of the Co-Owners fail to vote in favor of reconstruction or repair of the Property within one hundred (100) days after the taking,

the Board of Administrators shall record, with the register of deeds, a notice setting forth such facts, and upon the recording of such notice:

- (1) The Property shall be deemed to be owned in common by the Co-Owners;
- (2) The undivided interest in the Property owned in common which shall appertain to each Co-Owner shall be the percentage of undivided interest previously owned by such Co-Owner in the Common Elements;
- (3) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Co-Owner in the Property; and
- (4) The Property shall be subject to an action for partition at the suit of any Co-Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be considered as one fund and shall be divided among all the Co-Owners in a percentage equal to the Percentage Interest of each Co-Owner, after first paying out of the respective shares of the Co-Owners, to the extent sufficient for such purpose, all liens on the undivided interest in the Property owned by each Co-Owner.

ARTICLE IX

Sales, and Other Alienation of Units

Section 1. No Severance of Ownership. No Co-Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging the title to his Unit without including therein the undivided interest of such Unit in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the interests in the Common Elements of any Unit may be sold, transferred, given, devised, or otherwise disposed of, except as part of a sale, transfer, gift, devise, or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer, gift, devise or other disposition of such part of the interests in the Common Elements of all Units.

Section 2. Payment of Assessments. No Co-Owner shall be permitted to convey, mortgage, hypothecate, sell, lease, give, or devise his Unit unless and until he (or his personal representative) shall have paid in full to the Board of Administrators all unpaid Common Expenses theretofore assessed by the Board of Administrators against his Unit, except permitted mortgages.

Section 3. Mortgage of Units. No Co-Owner shall mortgage his Unit except by a first mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender. Any such mortgage shall be substantially in the form on file with the Board of Administrators, except for such changes or additions as may be legally necessary in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted in writing by the Board of Administrators.

ARTICLE X

Mortgages

Section 1. Notice to Board of Administrators. A Co-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.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Board of Administrators, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Co-Owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Administrators, when giving notice to a Co-Owner of a default in paying an assessment for Common Expenses or any other default, shall send a copy of such notice to each holder of a mortgage covering such Co-Owner's Unit whose name and address has theretofore been furnished to the Board of Administrators.

ARTICLE XI

Compliance and Default

Section 1. Relief. Each Co-Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Master Deed, these By-Laws, and the Rules and Regulations, and any amendments of the same. A default by a Co-Owner shall

entitle the Association of Co-Owners, acting through its Board of Administrators or through the Managing Agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Master Deed, these By-Laws, and the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association of Co-Owners, the Board of Administrators, the Managing Agent, or, if appropriate, by any aggrieved Co-Owner.

(b) Additional Liability. Each Co-Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Administrators. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Co-Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the Association of Co-Owners, the Board of Administrators, or of a Co-Owner to enforce any right, provision, covenant, or condition which may be granted by the Master Deed, these By-Laws or the Rules and Regulations shall not constitute a waiver of the right of the Association of Co-Owners, the Board of Administrators or the Co-Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association of Co-Owners, the Board of Administrators, or any Co-Owner pursuant to any term, provision, covenant or condition of the Master Deed, these By-Laws or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Master Deed, these By-Laws or the Rules and Regulations, or at law or in equity.

(e) Interest. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of fifteen (15) days, such Owner shall be obligated to pay interest on the amounts due at the rate of twelve percent (12%) per annum from the due date thereof.

(f) Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Board of Administrators, or the breach of any By-Law contained herein, or the breach of any provision 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 the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Co-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; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (c) to temporarily suspend the rights of such Co-Owner, members of his family and invitees from using any of the Common Elements.

Section 2. Lien for Contributions.

(a) The total annual contribution of each Co-Owner is hereby declared to be a lien levied against the Unit of such Co-Owner within the purview of the Condominium Property Act (Sections 76-801 to 76-823, Neb. Rev. Stat. [Reissue 1976]), which lien shall be effective as of the first day of each such year, and shall be subject to any prior recorded mortgage. The Board of Administrators, or the Managing Agent, may file or record such other or further notice of lien, or such other or further document as may be required by the then laws of the State of Nebraska to confirm the establishment of such lien.

(b) In any case where an assessment against a Co-Owner is payable in installments, upon a default by such Co-Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Co-Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Administrators, and the then balance owing may be declared due and payable in full by the service of notice of such effect upon the defaulting Co-Owner by the Board of Administrators or the Managing Agent.

(c) The lien for contributions may be foreclosed in the manner provided by the laws of the State of Nebraska by suit brought in the name of the Board of Administrators, or the Managing Agent, acting on behalf of the Association of Co-Owners. During the pendency of such suit the Co-Owner shall be required to pay a reasonable rental for the Unit for

any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the State of Nebraska.

(d) Suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE XII

Miscellaneous

Section 1. Notices. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by mail, first-class postage prepaid, (i) if to a Co-Owner, at the address which the Co-Owner shall designate in writing and file with the Secretary-Treasurer, or if no such address is designated, at the address of the Unit of such Co-Owner, or (ii) if the Association of Co-Owners, the Board of Administrators or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Co-Owners pursuant to this Section.

Section 2. 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 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 provision thereof.

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

ARTICLE XIII

Amendments to By-Laws

Section 1. Amendments. Except as otherwise provided in this Section, these By-Laws may be modified or amended by a

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vote of 66-2/3 of the Co-Owners at any regular or special meeting, provided that notice of the proposed amendment shall have been given to each Co-Owner at least fourteen (14) days in advance of such meeting; provided, however, that Section 2 of Article II, insofar as it provides that the Developer, until a specified time, shall be entitled to elect all of the members of the Board of Administrators, Section 9 of Article II, insofar as it provides that the Developer, so long as it is the Co-Owner of one or more Units, may vote the votes appurtenant thereto, and this Section 1 of Article XIV, however, may not be amended without the consent in writing of the Developer, so long as the Developer shall be the Co-Owner of one or more Units.

Section 2. Recording. A modification or amendment of these By-Laws shall become effective only if such modification or amendment is recorded in the land records in and for Lancaster County, Nebraska.

Section 3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Condominium Property Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official By-Laws of the Condominium, and all Co-Owners shall be bound to abide by such modification or amendment.

Section 4. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of the mortgagees of the Units. Such provisions in these By-Laws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, no amendment or modification of these By-Laws impairing or affecting such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages on the Units, it shall be sufficient to obtain the written consent of the mortgagee or mortgagees holding mortgages on more than one-half (1/2) of the Units encumbered by mortgages.

IN WITNESS WHEREOF these By-Laws are adopted by the developer on this 27th day of October, 1982.

WESTCHESTER INVESTMENT COMPANY

By: [Signature]
Partner

By: [Signature]
Partner

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AMENDMENT TO BY-LAWS
OF
TERRA COTTA CONDOMINIUMS
OMAHA, NEBRASKA

Article V, Section 9, is hereby amended by deleting sub-paragraph (o) relating to pets.

Article XIII, Section 3, is hereby amended by deleting the word "Lancaster" and substituting in its place the word "Douglas".

These Amendments are adopted by the Developer, which is the owner of 100% of the condominium property and the condominium units at a special meeting held for that purpose on February 15, 1983.

IN WITNESS WHEREOF this Amendment to By-Laws is adopted this 15th day of February, 1983.

WESTCHESTER INVESTMENT COMPANY

By: [Signature]
Partner

By: [Signature]
Partner

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CLARENCE W. HARRIS
REGISTER OF DEEDS
DOUGLAS COUNTY, NEBR.

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STATE OF NEBRASKA) ss:
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me on February 15, 1983, by Gerald H. Loontjer and Earl Rupprecht.

[Signature]
Notary Public

GENERAL NOTARY - State of Nebraska
T.E. MCGINNIS
My Comm. Exp. Aug. 23, 1988