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Lloyd J. Dowding
REGISTER OF DEEDS

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LLOYD J. DOWDING

SARPY COUNTY REGISTER OF DEEDS
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12276

**DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE TOWNHOME RESIDENTIAL LOTS
VILLAS OF SOUTHWIND, A SUBDIVISION
IN SARPY COUNTY, NEBRASKA**

THIS DECLARATION, made on the date hereinafter set forth, is made by SOUTHWIND LAND CORP., a Nebraska corporation, hereinafter referred to as the "Declarant".

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Sarpy County, Nebraska and described as follows:

Lots 1 through 44, inclusive, Villas of Southwind, a Subdivision, as surveyed, platted and recorded in Sarpy County, Nebraska.

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot". The term "Lot" shall also mean and refer to each respective parcel resulting from a Lot split of a Lot whereby two (2) separate residences are created from one (1) originally platted lot as shown upon any recorded subdivision plat which included the above property.

The Declarant desires to provide for the preservation of the values and amenities of Villas of Southwind, for the maintenance of the character and residential integrity of Villas of Southwind, and for the acquisition, construction and maintenance of Common Facilities for the use and enjoyment of the residents of Villas of Southwind.

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots shall be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part thereof, as is more fully described herein. The Lots, and each Lot is and shall be subject to all and each of the following conditions and other terms:

ARTICLE I.
RESTRICTIONS AND COVENANTS

1. Each Lot shall be used exclusively for townhome (single family or duplex) residential purposes, which may include Lots or parts thereof as may hereafter be conveyed to separate owners so that two single family attached dwellings may be created.

2. No residence, building, fence (other than fences constructed by the Declarant), wall, driveway, patio, patio enclosure, swimming pool, pool house, basketball backboards, dog house, tree house, antenna, satellite receiving station, dishes or "discs", flag pole, solar heating or cooling device, tool shed, outdoor lighting, wind mill or other external improvement, above or below the ground (herein all referred to as any "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading or excavation for any Improvement be commenced, except for Improvements which have been approved by Declarant as follows:

A. An owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans and plot plans to Declarant (herein collectively referred to as the "plans"). Such plans shall include a description type, quality, color and use of materials proposed for the exterior of such Improvement. Concurrent with submission of the plans, Owner shall notify the Declarant of the Owner's mailing address.

B. Declarant shall review such plans in relation to the type and exterior of improvements constructed, or approved for construction, on neighboring Lots and in the surrounding area, and any general scheme or plans formulated by Declarant. In this regard, Declarant intends that the Lots shall constitute when developed a residential community with homes constructed of high quality materials. The decision to approve or refuse approval of a proposed Improvement shall be exercised by Declarant to promote development of the Lots and to protect the values, character and residential quality of all Lots. If Declarant determines that the harmony of external design and location in relation to the surrounding Improvements and topography of the proposed Improvement will not protect and enhance the integrity and character of all the Lots and neighboring Lots as a quality residential community, Declarant may refuse approval of the proposed Improvement.

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C. Written Notice of any refusal to approve a proposed Improvement shall be mailed to the owner at the address specified by the owner upon submission of the plans. Such notice shall be mailed, if at all, within thirty (30) days after the date of submission of the plans. If notice of refusal is not mailed within such period, the proposed Improvement shall be deemed approved by Declarant.

D. No Lot owner, or combination of Lot owners, or other person or persons shall have any right to any action by Declarant, or to control, direct or influence the acts of the Declarant with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed Improvement.

3. No residence shall be created, altered, placed or permitted to remain on any Lot other than the one (1) single family or one (1) multi-family (duplex) residential structure, each respective side of a duplex structure shall contain a minimum of one thousand (1,000) sq. ft. of living space area on the main floor and above the basement level. Each single family structure which is not part of a duplex structure shall contain a minimum of one thousand one hundred (1,100) sq. ft. of living space area on the main floor and above the basement level. Two (2) single-family attached residences may be created for one (1) original duplex structure. Living space area means finished habitable space, measured to the exterior of the enclosing walls, and does not include porches, stoops, breezeways, courtyards, patios, decks, basements, garages or carports. The maximum height of the dwelling shall be two (2) stories. The basement is not considered a story even if it is one hundred percent (100%) above grade on one side, and essentially below grade on the other three (3) sides. All dwellings shall have attached, enclosed, side-by-side, two (2) car garages minimum which must contain area of not less than four hundred (400) square feet. Residences on all lots shall have a minimum set back of twenty-five (25) feet and a side yard setback of five (5) feet, except for common walls of duplex structure.

4. The exposed front foundation walls and any foundation walls facing any street of all main residential structures must be constructed of or faced with brick or other approved material. All exposed side and rear concrete or concrete block foundation walls not facing a street must be painted. All driveways must be constructed of concrete or other approved material. All foundations shall be constructed of concrete, concrete blocks, brick or stone. Fireplace chimneys shall be covered with brick, wood, or other material approved in writing by Declarant. Unless other materials are specifically approved by Declarant, the roof of all Improvements shall be covered with asphalt shingles of weatherwood color or other approved material shingles.

5. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a lot as "For Sale"; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. No business activities of any kind whatsoever shall be conducted on any Lot. Provided, however, the foregoing paragraph shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, by Declarant, their agents or assigns, during the construction and sale of the Lots.

6. No exterior television or radio antenna of any sort shall be permitted on any Lot. Notwithstanding the foregoing, an antenna that is designed to receive direct broadcast satellite service not exceeding one meter in diameter and attached directly to the residence may be permitted provided that the location and size of the proposed satellite receiving dish be first approved by the Declarant, or its assigns. No treehouses, tool sheds, dollhouses, windmills, or similar structures shall be permitted on any Lot.

7. No repair of any boats, automobiles, motorcycles, trucks, campers or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time; nor shall vehicles offensive to the neighborhood be visibly stored, parked or abandoned on any Lot. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

8. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than twenty (20) days within a calendar year. No motor vehicle may be parked or stored outside on any Lot, except vehicles driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semitractors/trailers shall be stored, parked, kept or maintained in any yards, driveways or streets. However, this Section 8 shall not apply to trucks, tractors or

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commercial vehicles which are necessary for the construction of residential dwellings during their period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable zoning ordinances of the City of LaVista, Nebraska. All garage doors must be closed when not in use.

9. No incinerator, trash burner or fuel tank shall be permitted on any Lot. No garbage or trash can or container shall be permitted outside of any dwelling at any time, except for pickup purposes and not in excess of eight (8) consecutive hours. No garden lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubble or cutting shall be deposited on any street, road or Lot. No clothes line shall be permitted outside of any dwelling at any time.

10. Exterior lighting installed on any Lot shall either be indirect or of such a controlled focus and intensity as not to disturb the residents of adjacent Lots.

11. No fence shall be permitted to extend beyond the middle line of a main residential structure unless written approval is first obtained from Declarant. All fences shall be constructed of materials approved by Declarant. No hedges or mass planted shrubs shall be permitted more than ten (10) feet in front of the front building line. No fences or walls shall exceed a height of six (6) feet. All produce or vegetable gardens shall be maintained only in rear yards. All Lots shall be fully sodded at the time of completion of the Improvements.

12. No swimming pool shall be permitted which extends more than one foot above ground level.

13. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the contour of any Lot.

14. A public sidewalk shall be constructed of concrete four (4) feet wide by four (4) inches thick in front of each built upon Lot and upon the street side of each built upon corner Lot. The sidewalk shall be placed five (5) feet back of the street curb line and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof; provided, however, this provision shall vary to comply with any requirements of the City of LaVista, Nebraska.

15. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

16. No stable or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except that a dog house constructed for one (1) dog shall be permitted; provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant, or its assigns, if required by this Declaration. Dog houses shall only be allowed at the rear of the residential structure, concealed from public view; no dog runs or kennels of any sort shall be allowed. No animals, livestock, agricultural-type animals, fowl, or poultry of any kind, including pot-bellied pigs, shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any commercial purpose and, provided, that they are kept confined to the Lot of their Owner and are not permitted to run loose outside the Lot of the Owner.

17. Any exterior air conditioning condenser unit shall be placed in the rear yard or any side yards so as not to be visible from public view. No grass, weeds or other vegetation will be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees will be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.

18. No structure of a temporary character, trailer, basement, tent, outbuilding or shack shall be erected upon or used on any Lot at any time, either temporarily or permanently. No structure or dwelling shall be moved from outside Villas of Southwind to any Lot unless the written approval of Declarant is first obtained.

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19. Except for connection and access facilities, no electrical, plumbing, sprinkling, sewer or utility service lines shall be installed above ground on any Lot.

20. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations, and designs as it may determine appropriate in its sole and absolute discretion.

ARTICLE II.
BOUNDARY FENCE

1. Declarant must approve in writing any plans to construct boundary fences along 94th Street, Robin Drive, 92nd Street, and Giles Road (the "Boundary Fence"). The Boundary Fence, if constructed, will be situated generally on the southerly most boundary line of Lot 1 and Lots 27 through 39, inclusive; the westerly most boundary line of Lots 1 through 6, inclusive; the northerly most boundary line of Lots 7, 8, 13 through 16, inclusive, and 43; and the easterly most boundary line of Lots 44 and 39 through 42, inclusive; (ii) extend vertically not to exceed approximately six (6) feet; (iii) be uniform in construction; and (iv) be of the same material as shall be determined by Declarant. Each of such lots are collectively referred to as the "Boundary Lots".

2. Declarant hereby declares that the Boundary Lots are subject to a permanent and exclusive right and easement in favor of Declarant and the Villas of Southwind Townhome Association to maintain, repair and replace the Boundary Fence. Without limitation of the rights and easements granted by this Declaration, the Declarant or Association may come upon any of the Boundary Lots for the purpose of constructing, installing, repairing, maintaining, removing, and replacing the Boundary Fence. Notwithstanding the foregoing, the Owner of a Boundary Lot agrees to keep the Boundary Fence adjoining the respective Owner's Lot in good order and repair and is primarily responsible for the repair or maintenance of the Boundary Fence adjoining the Owner's Lot.

ARTICLE III.
TOWNHOME ASSOCIATION

1. The Association. Declarant shall cause the incorporation of VILLAS OF SOUTHWIND TOWNHOME ASSOCIATION, a Nebraska not for profit corporation (hereinafter referred to as the "Townhome Association"). The Townhome Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including:

A. The acquisition, construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members and the maintenance and repair of the improvements to the Lots as set forth herein. Common Facilities may include recreational facilities such as swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; and signs, fencing and entrances for Villas of Southwind. Common Facilities may be situated on property owned or leased by the Townhome Association, or on dedicated property or property subject to easements accepted by and benefiting the Townhome Association.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules and regulations are uniformly applicable to all Members. The rules and regulations may regulate, limit and restrict use of the Common Facilities to Members, their families, their guests, and/or by other persons, who pay a fee or other charge in connection with the use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Villas of Southwind; and the protection and maintenance of the residential character of Villas of Southwind.

2. Membership and Voting. The "Owner" of each Lot shall be a Member of this Townhome Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lot merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust, or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. Membership shall be appurtenant to ownership of each Lot, and may not be separated

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from ownership of each Lot.

The Townhome Association shall have two (2) classes of voting members, Class A Members and Class B Members, defined as follows:

CLASS A: Class A Members shall be all Owners, with the exception of Declarant or its assigns. Each Class A Member shall be entitled to one (1) vote for each Lot owned. When there shall be more than one person or entity holding an interest in any Lot, all such persons or entities or both, shall be Members; provided however that the vote for such Lot shall be exercised as such persons or entities or both, shall determine, but in no event shall more than one vote be cast with respect to any one Lot. It is understood that the Owner of each respective Lot created as a result of a Lot Split shall be entitled to one (1) vote.

CLASS B: Class B Members shall be the Declarant or its assigns which shall be entitled to four (4) votes for each Lot owned. For purposes herein, Declarant shall be considered the Owner of a Lot notwithstanding the existence of any contract for sale or purchase agreement, with such ownership status continuing in all events until title is transferred by Declarant through the execution, delivery and recordation of a Warranty Deed. A Class B membership shall terminate and be converted into a Class A membership upon the occurrence of the date on which the total votes outstanding in the Class A membership shall equal or exceed the total votes outstanding in the Class B membership.

The Class A and Class B Members may be sometimes collectively referred to as "Members".

3. Purposes and Responsibilities. The Townhome Association shall have the powers conferred upon not for profit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the Purposes and administer the affairs of the Townhome Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, may include but shall not be limited to the following:

A. The grounds care, snow removal, trash collection and irrigation maintenance and operation as generally described in Sections 13, 14, 15, and 16 of this Article.

B. The development, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.

C. The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration.

D. The expenditure, commitment and payment of Townhome Association funds to accomplish the purposes of the Townhome Association including, but not limited to, payment for purchase of insurance covering any Common Facility or any improvement to a Lot against property damage and casualty, and purchase of liability insurance coverages for the Townhome Association, the Board of Directors of the Townhome Association and the Members.

E. The exercise of all of the powers and privileges, and the performance of all of the duties and obligations of the Townhome Association as set forth in this Declaration, as the same may be amended from time to time.

F. The acquisition by purchase or otherwise, holding, or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Townhome Association.

G. The deposit, investment and reinvestment of Townhome Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

H. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Townhome Association in the performance of their duties and responsibilities for the Townhome Association.

I. General administration and management of the Townhome Association, and execution of such documents and doing and performance of such acts as may be necessary or appropriate to accomplish such administration or management.

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J. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Townhome Association.

4. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for each Assessable Lot and for each Owner of any Assessable Lot, by acceptance of a deed therefore or by entering into a contract for the purchase thereof, whether or not it shall be so expressed in such deed or in such contract, that it is, and shall be, deemed to covenant and agree to pay to the Townhome Association:

- (1) Special assessments for capital improvements, and
- (2) Monthly assessments for exterior maintenance and other operational expenses with respect to each Assessable Lot as deemed necessary by the Townhome Association, and

as such assessments shall be established and collected as hereinafter provided. The special assessments and monthly assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment shall be made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person, persons, or entity who, or which, was the Owner of the property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title, unless expressly assumed by them.

5. Purpose of Assessments. The assessments levied upon the Townhome Association shall be used exclusively to promote the health, safety, recreation and welfare of the residents in the Properties and for exterior maintenance, and other matters as more fully set out in Article III herein. Assessments shall be levied solely against an Assessable Lot. Assessable Lot shall mean and refer to any Improved Lot which the Board of Directors of the Townhome Association determines is entitled to the benefits for which assessments are levied by the Townhome Association as provided in this instrument. An Improved Lot shall mean and refer to any Lot upon which shall be erected a dwelling the construction of which shall be at least 80% constructed according to the plans and specifications for construction of said dwelling.

6. Monthly Assessments. The Board of Directors shall have the authority to levy and assess from time to time against any Assessable Lot any monthly maintenance assessment for the purpose of meeting the requirements of this Article III for exterior maintenance, which assessments may not be equal for each lot or dwelling.

7. Special Assessment for Capital Improvements. The Townhome Association may levy special assessments from time to time against a Lot for the purpose of meeting the requirements of this Article III herein for the costs of any construction, reconstruction, repair or replacement of any capital improvements on such Lot, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of each Lot, who shall vote in person or by proxy at a meeting duly called for such purpose.

8. Notice and Quorum for Any Action Authorized Under this Article. Written notice of any meeting called for the purpose of taking any action authorized under this Article III shall be sent to all Members not less than 10 days nor more than 50 days in advance of such meeting. At the first such meeting called, the presence of Members, in person or by proxy, entitled to cast sixty percent (60%) of all the votes entitled to be cast by each Lot shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum, at such subsequent meeting shall be ten percent (10%) of all the votes entitled to be cast. Any such subsequent meeting shall be held within 60 days following the preceding meeting.

9. Rate of Assessment. The monthly assessments shall be paid pro rata by the Owners of all Assessable Lots based upon the total number of Assessable Lots; provided, however, the Board of Directors of the Townhome Association may equitably adjust such prorations if it determines that certain Assessable Lots on which all of the improvements are not yet completed do not receive all of the benefits for which such assessments are levied or the type of dwelling located on the Lot requires an adjustment (i.e., a duplex dwelling or a detached single family dwelling). The monthly assessments may be collected on a monthly or other periodic basis by the Townhome Association. The Board of Directors of the Townhome Association shall fix the amount of the monthly or other periodic assessments against each Assessable Lot. Written notice of the assessment shall be sent to every Owner subject thereto. The dates payments are due shall be established by the Board of Directors. The special assessments for capital improvements shall only be assessed against the Assessable Lot for which the costs of such construction, reconstruction, repair or replacement of any capital improvements occurs.

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The Townhome Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Townhome Association, setting forth whether or not all assessments on a specified Assessable Lot have been paid. A properly executed certificate of the Townhome Association as to the status of assessments, on a particular Assessable Lot shall be binding upon the Townhome Association as of the date of its issue by the Townhome Association.

10. Effect of Nonpayment of Assessment; Remedies of the Townhome Association. Any assessment not paid within fifteen (15) days after the due date shall be deemed delinquent and shall bear a per month penalty of 3 dollars (\$3). Should any assessment remain unpaid more than sixty (60) days after the due date, the Townhome Association may declare the entire unpaid portion of said assessment for said year to be immediately due and payable and thereafter delinquent. The Townhome Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any Court having jurisdiction of actions for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by abandonment or title transfer of such Owner's Lot.

11. Subordination of the Lien to Mortgages. The lien on the assessments provided for herein shall be subordinate to the lien of any first mortgage, first deed of trust, or other initial purchase money security device, and the holder of any first mortgage, first deed of trust, or other initial purchase money security device, on any Lot may rely on this provision without the necessity of the execution of any further subordination agreement by the Townhome Association. Sale or transfer of any Lot shall not affect the status or priority of the lien for assessments made as provided herein. The Townhome Association, if authorized by its Board of Directors, may release the lien of any delinquent assessments on any Lot as to which the first mortgage, first deed of trust or initial purchase money security device thereon is in default; if such Board of Directors determines that such lien has no value to the Townhome Association. No mortgagee shall be required to collect any assessments due. The Townhome Association shall have the sole responsibility to collect all assessments due.

12. Abatement of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors may abate all or part of the dues or assessments due in respect of any Lot, and shall abate all dues and assessments due in respect of any Lot during the period such Lot is owned by the Declarant.

13. Monthly Assessments. Monthly assessments may be assessed for, but not limited to, the following:

A. Care and maintenance of trees and shrubs, lawns, and other exterior landscaping improvements on the common area shall be the responsibility of the Townhome Association. The Owner understands that the original landscape as installed by the Declarant or builder is warranted for a period of one year from the time of planting. The Owner is responsible for replacement of all dead landscaping on his lot after the one year warranty period expires.

B. Operation and maintenance of an underground watering system, including the water costs.

C. Snow removal from drives, front walks and stoops only as to be determined by the guidelines set forth by the Board of Directors.

D. Trash removal, unless provided by local governmental authorities.

E. The Townhome Association shall have no duty to repair, replace or maintain any exterior concrete surfaces, including walks, driveways, patios, foundations, doors, windows, and decks.

F. Reserves for replacements, repairs and maintenance as determined by the Board of Directors.

14. Special Assessments. Special assessments may be assessed for maintenance and improvement of common areas.

15. Party Walls. Party walls shall be constructed, maintained and repaired as follows:

A. General Rules of Law to Apply. Each wall which is built as part of the original construction of any dwelling upon a Lot, and which is placed on the dividing line between any adjoining Lots, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or

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omissions shall apply thereto.

B. Sharing of Repair and Maintenance. The cost of reasonable repairs and maintenance of any party wall shall be shared by the Owners who make use of such party wall in proportion to the length of each Lot and party wall.

C. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner or Owners shall thereafter make use of such party wall, such other Owner or Owners shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner or Owners to call for a larger contribution from other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

D. Weatherproofing. Notwithstanding any other provision of this Section, an Owner who, by his negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements and repair of damage caused by the elements.

E. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

F. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each Owner involved shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and all Owners shall be bound by any decision arrived at by a majority of all such arbitrations. Arbitration shall be governed by the terms of the Uniform Arbitration Act, to the extent consistent with the foregoing provisions.

16. Insurance. Insurance may be required as follows:

A. The Townhome Association shall purchase and provide comprehensive general liability coverage insurance against any other hazards and in such amounts as shall be determined from time to time by the Board of Directors of the Townhome Association. The Townhome Association, in addition to the foregoing, shall provide Directors and Officers liability coverage insurance for the Townhome Association, for its Officers, and members of the Board of Directors. Finally, if the Townhome Association has any employees of any nature, the Townhome Association shall purchase and provide Workers' Compensation Insurance for all employees who may come within the scope of Nebraska Workers' Compensation laws.

The above insurance shall not cover the personal property or dwelling of any Owner of any Lot, it being the Owner's responsibility to provide such insurance coverage for the Owner's protection. In addition, the Townhome Association may purchase such additional insurance against other hazards which may be deemed appropriate by the Board of Directors.

B. Each Lot Owner may obtain such additional insurance for the individual Owner's benefit and at such Owner's own expense as may be deemed necessary by the Lot Owner, including coverage for specific improvements and betterments in the Owner's unit, personal liability, specific personal property items, the ten percent (10%) co-insurance provision of the full replacement cost of the base price of the original structure, and any exclusions of insurance coverage from the master policy provided by the Townhome Association.

17. Access. The Townhome Association, its officers, employees and agents, contractors and repairmen designated by the Townhome Association, shall have the right to go on any Lot for the purpose of performing the duties of the Townhome Association hereunder, and the Townhome Association is hereby granted a specific easement for such purposes.

18. Utility Meters and Service Lines. In order to facilitate the installation, operation, maintenance and repair of an underground watering system, such Lots as shall be designated from time to time by the Townhome Association shall have a dual metering system for water so as to permit the drawing of water for watering of the lawns, shrubs, trees and other vegetation located upon the Lots. It is understood that the amount of water metered for the residential use on any such Lot shall be paid for by the Owner of each Lot receiving water, and the Owner shall be responsible for the meter servicing solely the Owner's Lot. Utility meters may be located within the Owner's residence.

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ARTICLE IV.
SOUTHWIND HOMEOWNERS' ASSOCIATION

1. The Association. Declarant has caused the incorporation of Southwind Homeowners' Association, a Nebraska not for profit corporation (hereinafter referred to as the "Association"). The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of all the residents in the Southwind Subdivision, including:

A. The acquisition, construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities may include recreational facilities such as swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways, linear trails, outlots and green areas; and signs and entrances for Southwind. Common Facilities may be situated on property owned or leased by the Association, on public property, on private property subject to an easement in favor of the Association, or on property dedicated to a Sanitary Improvement District.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or restrict use of the Common Facilities by Members. The rules and regulations may permit or restrict use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Southwind; and the protection and maintenance of the residential character of Southwind.

The Association is formed for the benefit of all single family and duplex/townhome multi-family residential property owners in Southwind (referred to as the "Lots").

2. Membership and Voting. The "Owner" of each Lot shall be a Member of this Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lot merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust, or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot. It is understood that the Owner of each respective Lot created as a result of a Lot split shall be each entitled to one (1) vote.

The Owner of each Lot, whether one or more persons and entities, shall be entitled to one (1) vote on each matter property coming before the Members of the Association.

3. Purposes and Responsibilities. The Association shall have the powers conferred upon not for profit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the Purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to the following:

A. The acquisition, development, maintenance, repair, replacement, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.

B. The landscaping, mowing, watering, repair and replacement of parks, outlots and other public property and improvements on parks or public property within or near Southwind.

C. The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration.

D. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to, payment for purchase of insurance covering any Common Facility against property damage and casualty, and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members.

E. The exercise of all of the powers and privileges, and the performance of

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all of the duties and obligations of the Association as set forth in this Declaration, as the same may be amended from time to time.

F. The acquisition by purchase or otherwise, holding, or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association.

G. The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

H. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the performance of their duties and responsibilities for the Association.

I. General administration and management of the Association, and execution of such documents and doing and performance of such acts as may be necessary or appropriate to accomplish such administration or management.

J. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

4. Mandatory Duties of Association. The Association shall maintain and repair the boundary fence, signs, sidewalks, trails, pathways and landscaping which have been installed in easement areas of the Southwind subdivision, center islands dividing dedicated roads and in outlots within the Southwind subdivision, in generally good and neat condition.

5. Imposition of Dues and Assessments. The Association may fix, levy and charge the Owner of each Lot with dues and assessments (herein referred to respectively as "dues and assessments") under the following provisions of this Declaration. Except as otherwise specifically provided, the dues and assessments shall be fixed by the Board of Directors of the Association and shall be payable at the times and in the manner prescribed by the Board.

6. Abatement of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors may abate all or part of the dues or assessments due in respect of any Lot, and shall abate all dues and assessments due in respect of any Lot during the period such Lot is owned by the Declarant.

7. Liens and Personal Obligations for Dues and Assessments. The assessments and dues, together with assigned penalties, costs and reasonable attorneys' fees, shall be the personal obligation of the Owner of each Lot at the time when the dues or assessments first become due and payable. The dues and assessments, together with penalties thereon, costs and reasonable attorneys' fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. The personal obligation for delinquent assessments shall not pass to the successor in title to the Owner at the time the dues and assessments become delinquent unless such dues and assessments are expressly assumed by the successors, but all successors shall take title subject to the lien for such dues and assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments or dues.

8. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purposes of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in Sections 3 and 4 of this Article.

9. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 11, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. One Hundred Twenty-Five and no/100 Dollars (\$125.00) per Lot.

B. In each calendar year beginning on January 1, 2000, one hundred twenty-five percent (125%) of the aggregate dues charged in the previous calendar year.

10. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Two Hundred and no/100 Dollars (\$200.00) per Lot.

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11. Excess Dues and Assessments. With the approval of seventy-five percent of the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

12. Uniform Rate of Assessment. Assessments and dues shall be fixed at a uniform rate as to all Lots, but dues may be abated as to individual Lots, as provided in Section 5, above.

13. Certificate as to Dues and Assessments. The Association shall, upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid to the date of request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof. The dues and assessment shall be and become a lien as of the date such amounts first become due and payable.

14. Effect of Nonpayment of Assessments-Remedies of the Association. Any installment of dues or assessment which is not paid when due shall be delinquent. Delinquent dues or assessments shall bear a 3 dollar (\$3) penalty for each month past due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Lots, and pursue any other legal or equitable remedy. The Association shall be entitled to recover as a part of the action and shall be indemnified against the interest, costs and reasonable attorneys' fees incurred by the Association with respect to such action. No Owner may waive or otherwise escape liability for the charge and lien provided for herein by nonuse of the Common Area or abandonment of his Lot. The mortgagee of any Lot shall have the right to cure any delinquency of an Owner by payment of all sums due, together with penalties, costs and fees. The Association shall assign to such mortgagee all of its rights with respect to such lien and right of foreclosure and such mortgagee may thereupon be subrogated to any rights of the Association.

15. Subordination of the Lien to Mortgagee. The lien of dues and assessments provided for herein shall be subordinate to the lien of any mortgage, contract or deed of trust given as collateral for a home improvement or purchase money loan. Sale or transfer of any Lot shall not affect or terminate the dues and assessment lien.

ARTICLE V.
EASEMENTS AND CONNECTION

1. A perpetual easement is reserved in favor of the Declarant and the Association, its successors and assigns to create, install, repair, reconstruct, paint, maintain, and renew a fence, standards and related accessories located on, over and upon a ten (10) foot wide strip of land adjoining the Boundary Fence located on Boundary Lots.

2. In the event that ninety percent (90%) of all Lots within the subdivision are not improved within five (5) years after the date on which Northwestern Bell Telephone Company files notice that it has completed installation of telephone lines to the Lots in the subdivision (herein the "Subdivision Improvement Date"), then Northwestern Bell Telephone Company may impose a connection charge on each unimproved Lot in the amount of Four Hundred Fifty and no/100 Dollars (\$450.00). A Lot shall be considered as unimproved if construction of a permanent structure has not commenced on a Lot. Construction shall be considered as having commenced if a footing inspection has been requested on the Lot in question by officials of the City or other appropriate governmental authority.

Should such charge be implemented by Northwestern Bell Telephone Company and remain unpaid, then such charge may draw interest at the rate of twelve percent (12%) per annum commencing after the expiration of sixty (60) days from the time all of the following events shall have occurred: (1) the Subdivision Improvement Date, and (2) Northwestern Bell Telephone Company sends each owner of record a written statement or billing for Four Hundred Fifty and no/100 Dollars (\$450.00) for each unimproved Lot.

3. Other easements are provided for in the final plat of Villas of Southwind which is filed in the Register of Deeds of Sarpy County, Nebraska (Book 98, Pages 28249).

ARTICLE VI.
GENERAL PROVISIONS

1. Except for the authority and powers specifically granted to the Declarant, the

BYLAWS
OF
VILLAS OF SOUTHWIND TOWNHOME ASSOCIATION

Article I
Plan of Ownership

Section 1. Name and Location. The name of the corporation is VILLAS OF SOUTHWIND TOWNHOME ASSOCIATION (hereinafter referred to as the "Association"). The office of the Association shall be located at 8161 South 93rd Circle, La Vista, Nebraska or as designated by the Board of Directors, but meetings of members and directors may be held at such places within Douglas County or Sarpy County, Nebraska as may be designated by the Board of Directors.

Section 2. Application. All present and future owners, mortgagees, lessees and occupants of the Lots and their employees, and any other persons who may use the facilities of the Association in any manner are subject to these Bylaws and rules and regulations pertaining to the use and operation thereof. The acceptance of a deed or conveyance, or the execution of a lease, or the act of occupancy of any Lot in the Property shall constitute an acceptance of and agreement to comply with the provisions of these Bylaws.

Article II
Definitions

Section 1. Lot. "Lot" or "Lots" shall mean and refer to each or all of the following Lots:

Lots 1 through 44, inclusive, in Villas of Southwind, a Subdivision, as surveyed, platted, and recorded in Sarpy County, Nebraska,

and such other lots which may be added in subsequent plats of the Villas of Southwind Subdivision.

Section 2. Common Facility. "Common Facility" shall mean facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include, but shall not be limited to, recreational facilities such as tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; and signs and entrances to Villas of Southwind. Common Facilities may be situated on property owned or leased by the Association, or on dedicated property.

Section 3. Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements of Villas of Southwind, a Subdivision in Sarpy County, Nebraska, dated March 11, 1999 (Instrument Number 99-007335).

Section 4. Owner. "Owner" of a Lot shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lots merely as security for the performance of an obligation (such as a contract seller, the Trustee or Beneficiary of a deed of trust, or a mortgagee). A purchaser of a Lot under a land contract or similar instrument shall be deemed to be the Owner of the Lot for purposes of the Declaration and these Bylaws.

Section 5. Association. "Association" shall mean and refer to VILLAS OF SOUTHWIND TOWNHOME ASSOCIATION, a Nebraska not-for-profit corporation, its successors

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and assigns.

Section 6. Members. "Member" shall mean and refer to each Owner of a Lot.

Article III
Board of Directors

Section 1. Initial Number and Qualification. The initial Board of Directors shall consist of those individuals designated in the Articles of Incorporation of the Association. Such Directors and their successors elected in accordance with Section 4 of this Article shall serve until the first annual meeting of the Members, or until their successors are duly elected and qualified.

Section 2. Number and Qualification After Annual Election. After the first annual election, the Board of Directors shall be composed of not fewer than three (3) nor more than nine (9) directors, and commencing with the election held in 2001, each of whom shall be a Member or an Owner, an executive officer of a corporate Owner, or a partner of a partnership Owner.

Section 3. Powers and Duties. The Board of Directors shall have the powers conferred upon not-for-profit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to, the following:

- (a) The development, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.
- (b) The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of the Declaration.
- (c) The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to, purchase of insurance covering any Common Facility against property damage and casualty, and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members.
- (d) The exercise of all of the powers and privileges and performance of all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time.
- (e) The acquisition by purchase or otherwise, holding, or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association.
- (f) The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.
- (g) The employment of professionals and consultants to advise and assist the officers and Board of Directors in the performance of their duties and responsibilities for the Association.
- (h) General administration and management of the Association, and execution of such documents and the doing and performance of such acts as may be necessary or appropriate to accomplish such administration and management.
- (i) The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

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Section 4. Election and Term of Office. Commencing with the first annual meeting of the Association, the Members entitled to vote shall elect one-third (1/3) of the total number of Directors for a term of one (1) year, one-third (1/3) for a term of two (2) years, and one-third (1/3) for a term of three (3) years; and at each annual election thereafter, the Members entitled to vote shall elect Directors to replace the total number of Directors whose term is then expiring.

Section 5. Removal of Board of Directors. At any regular or special meeting of Members, any one or more of the Directors may be removed with or without cause by two-thirds (2/3) of the Members entitled to vote and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the voting Members shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal by a vote of the Members entitled to vote, shall be filled by a vote of a majority of the remaining Directors at a special meeting held for that purpose, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a Director for the remainder of the term of the Director so removed and until a successor shall be elected at an annual meeting of the Members.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held within ten (10) days following the annual meeting of the Members, at such time and place as shall be fixed by the Members at the meeting. No notice shall be necessary to the newly elected Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors, shall be present at such meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors shall be held the last Tuesday of each month unless waived by the Board of Directors. At least one such meeting shall be held during each fiscal year.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least twenty percent (20%) of the Directors then in office.

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

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board 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 Directors may obtain fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums for such bonds shall constitute a common expense.

Section 13. Compensation. No Director shall receive any compensation for acting as such; provided, however, the Directors may be reimbursed for any reasonable

expenses incurred on behalf of the Association at the direction of the Board.

Section 14. Liability of the Board of Directors. The Directors shall not be liable to the Members for any mistake of judgment, or otherwise, except for their own individual willful misconduct. The Association shall, to the extent permitted by the Nebraska Nonprofit Corporation Act, as amended from time to time, indemnify and reimburse to the greatest extent permitted by law, all persons whom it may indemnify and reimburse pursuant thereto. Notwithstanding the foregoing, the indemnification provided for in this Section shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any Bylaw of this Association, agreement, vote or consent of Members or disinterested Directors or otherwise. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Member arising out of any contract made by the Board of Directors or out of the indemnity in favor of the Directors shall be limited to a proportion of the total liability thereunder, which proportion shall be equivalent to the proportional rate of assessment of his Lot under the Declaration. Agreements made by the Board of Directors or by the managing agent or by the manager on behalf of the Association may provide that the Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the Members and shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to a proportion of the total liability thereunder, which proportion shall be equivalent to the proportional rate of assessment of his Lot under the Declaration.

Article IV Meetings and Voting Rights

Section 1. Annual Meetings. The annual meetings of the Members shall be held on the third Tuesday of July of each year beginning in 2004 unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding Monday. The Members may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other suitable place convenient to such Members as may be designated by the Board of Directors.

Section 3. Special Meetings. The President may call a special meeting of the Members. Additionally, it shall be the duty of the President to call a special meeting of the Members if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by at least seventy-five percent (75%) of all Members entitled to vote. Special meetings of the Members may not otherwise be called. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail or personally deliver, at least ten (10) but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record a notice of each annual or special meeting of the Members at the address of the Lot or at such other address as such Members shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Members cannot be held because a quorum has not attended, a majority of the Members 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 6. Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call;

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- (b) Proof of notice of meeting;
 - (c) Reading of minutes of preceding meeting;
 - (d) Reports of officers;
 - (e) Report of Board of Directors;
 - (f) Election of members of the Board of Directors (when so required);
 - (g) Unfinished business; and
 - (h) New business.

Section 7. Voting. The Members, or some person designated by such Member or Members to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the vote appurtenant to a Lot, if any, at all meetings of Members. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Member or Members so designating. A fiduciary shall be the voting member with respect to any Lot owned in a fiduciary capacity. No vote may be cast on behalf of any Lot unless all dues, charges or assessments of the Association have been paid current to the date of any election or to the time of casting such vote. Further, in the event of the lack of an agreement among common owners of a Lot as to voting rights, the current payor of Association dues or charges shall be preferred with the ultimate decision of voting rights to be made by the Association's Board of Directors. It is understood that the owner of each respective Lot created as a result of a lot split shall each be entitled to one (1) vote.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members holding at least one-tenth (1/10) of the votes entitled to be cast shall constitute a quorum at all meetings of the Members.

Section 9. Majority Vote. The vote of a majority of Members present or represented by proxy at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required by law, or by these Bylaws.

Article V Officers

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

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

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

Section 4. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Members and of the Board of Directors. He or she shall have all of the general powers and duties which

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are normally incident to the office of president of a corporation organized under the law of the State of Nebraska, including but not limited to, the power of appointment from among the Members of any committee which he or she decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in 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 or her by the Board of Directors or by the President.

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

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

Section 8. Agreement, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, mortgages, checks, and other instruments of the Association shall be executed by the President or by any two (2) of the other officers of the Association.

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

Article VI Operation of the Common Facilities

Section 1. Determination of Dues and Assessments. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association and establish the amount of dues and assessments. The amount of the dues and assessments and the expenditure of funds by the Association shall be governed by applicable provisions of the Declaration. The Board shall advise each Owner in writing of the amount of dues and assessments payable by him, and shall furnish copies of each budget on which such dues and assessments are based to all Owners and to their mortgagees who request a copy in writing.

Section 2. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

- (a) To suspend the voting rights of the Lot in question; and/or
- (b) To suspend the right of the Owner to use the Common Facilities;
and/or
- (c) To take such actions as are deemed appropriate by the Board of Directors, including enjoining, abating, or election to remedy such thing or condition by appropriate legal proceedings.

Section 3. Maintenance and Repair. All maintenance, repairs, and replacements

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to the Common Facilities, and the Lots (unless necessitated by the negligence, misuse, or neglect of an Owner, in which case such expense shall be charged to such Owner), shall be made by the Association and be charged to all the Owners as provided in the Declaration.

Article VII
Mortgages

Section 1. Notice of Unpaid Dues or Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a Lot, shall promptly report any then unpaid dues or assessments, or other default by the Owner of the mortgaged Lot.

Section 2. Notice of Default. The Board of Directors, when giving notice to an Owner of a default in paying dues or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Lot whose name and address has been furnished to the Board.

Section 3. Examination of Books. Each Owner and each mortgagee of a Lot shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

Article VIII
Records

Section 1. Records and Audits. The Board of Directors shall keep reasonably detailed records of the actions of the Board, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Lot which, among other things, shall contain the amount of dues and assessments against such Lot, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all Members at least annually.

Article IX
Miscellaneous

Section 1. Notices. All notices to the Board of Directors shall be sent by certified mail, receipt requested, in care of the President, or to such other address as the Board may hereafter designate from time to time. All notices to any Owner or Member shall be sent by regular mail. All notices to mortgagees of Lots, shall be sent by regular U.S. mail to their respective addresses, as designated by them from time to time, in writing to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

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

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

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

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

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Section 6. Payment of Assessments. No Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his or her Lot unless and until he or she shall have paid in full to the Board all unpaid standard dues and special assessments theretofore assessed by the Board against his or her Lot and unless and until he or she shall have satisfied all unpaid liens against such Lot, except permitted mortgages.

Article X
Amendments to Bylaws

Section 1. Amendments to Bylaws. Except as otherwise provided, these Bylaws may be modified or amended by the majority vote of Members at any annual, regular or special meeting.