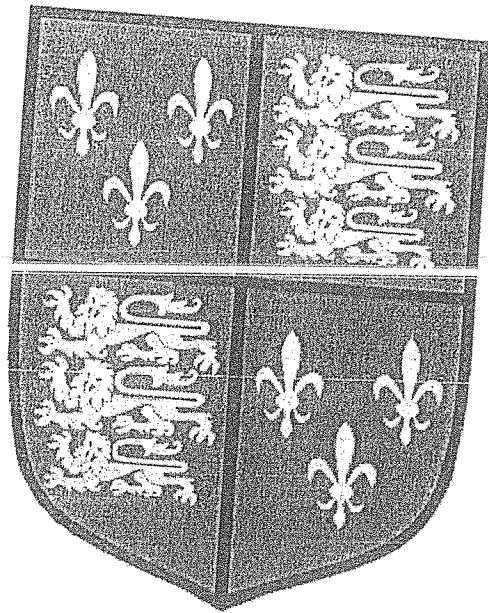


BY-LAWS
OF
TUDOR ARMS CONDOMINIUM
PROPERTY REGIME
OMAHA, NEBRASKA



This copy of the By-Laws of the Tudor Arms Condominium Regime of Douglas County, Nebraska has been reformatted as a matter of convenience to be a more legible copy of the original. In no way, shape or form is the accuracy of this copy guaranteed. This copy of the By-Laws should not serve as a substitute of the original, legally-binding version which is on file with the Office of the Register of Deeds of Douglas County, Nebraska, in Book 1698 at Page 702 et. Seq. It is the sole responsibility and duty of each Co-Owner, and any tenant(s) living within each unit owned by said Co-Owner, to obtain a copy of and abide to the terms and conditions set forth in the By-Laws and the Master Deed of the Tudor Arms Condominium Regime.

BY-LAWS
OF
TUDOR ARMS CONDOMINIUM PROPERTY REGIME

OMAHA, NEBRASKA

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The property located in the city of Omaha, 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, Neb. Rev. Stat. (Reissue 1976)], by the Master Deed recorded in the land records in and for Douglas County, Nebraska, simultaneously herewith, and shall hereinafter be known as "Tudor Arms Condominium Property Regime" (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of 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 and agreement by such person to comply with the same.

Section 3. Office. The office of the Condominium and 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, 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 voter 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 twenty-second (22nd) 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 an 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 II 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 fiduciary.

Section 9. Voting. Voting at all meetings of the Association of Co-Owners shall be on a percentage basis and the percentage 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. 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 Qualifications. 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. Power 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 with 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 therefore.
- (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 or 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 or 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 and 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 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, wither 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 Administrators 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 by 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. Compensations 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-Owners' 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 installment 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 the 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
- (e) 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 therefore, and such further assessments 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.
- (f) Initial Assessment. When the first Board of Administrators elected under these By-Laws, as provided in Article III, Section 3 hereof, takes office it shall determine the budget, as defined in the 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.
- (g) 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 or 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 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.

- (h) 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 or 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 therefore; 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 by 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 assignees shall not be liable for, and such Unit shall not be subject to, a lien for the Common Expenses 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 Interest. 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 assessment 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.

(b) By the Co-Owner.

- (1) Except for the portions of this 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, lighting, heating and air-conditioning unit, those parts of the plumbing system which are wholly contained within his Unit and windows. 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. In addition, each Co-Owner shall be responsible for all damages to any and all 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 and 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 and 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-Owners or Co-Owners requesting the same, such requesting Co-Owners shall be assessed therefore 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 Administrators 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 (3) 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 wished 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 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 and 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 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 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) Each Co-Owner shall maintain the physical security of the Building including keeping locks on exterior Unit doors and windows in good repair.
- (l) No items may be stored except in designated common areas.
- (m) 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.
- (n) 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 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 electricity 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; The foregoing notwithstanding, if the use of gas in the heating/ air conditioning unit of each Unit is separately check metered, the Board of Administrators may charge each Co-Owner for the gas used in his Unit as shown on such check meter.

Section 13. Parking Spaces and Storage Areas. 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.

AMENDMENTS
TO
BY-LAWS OF
TUDOR ARMS CONDOMINIUM PROPERTY REGIME
OMAHA NEBRASKA

Tudor Arms Condominium Property Regime does hereby amend its By-Laws filed in the Office of the Register of Deeds of Douglas County, Nebraska, in Book 1698 at Page 702 et. Seq. as follows:

- (1) Section 12 is deleted and in its place and stead Section 12 of said By-Laws is hereby amended to provide as follows:

“Section 12. Electricity, Water, Gas Charges and Sewer Rents and Cable Television. Electricity 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 electricity consumed or used in his unit directly to such utility. 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 the installation of cable television to each unit. Each co-owner utilizing cable television shall at his expense directly pay to such cable company all charges for use of cable. The Board of Administrators shall pay as a common expense of all bills for gas, heat, water, sewer and garbage collection. Such expenses shall be assessed to and paid by the co-owners according to Schedule “A” attached hereto and by this reference incorporated herein.

- (2) Said By-Laws are further amended by adding Section 14 to read as follows:

“Section 14. Balconies may be added by unit owners, but only as to units 3, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, and 19, but only if approved in writing by the Association. Any such balconies must be constructed in accordance with the specifications mentioned on Schedule “B”, attached hereto and by this reference incorporated herein.

- (3) Article V, Section 9. No pets are allowed on the common Elements or within any Unit.
- (4) Article V, Section 14. Use of Garages. Garages are to be used for an operative vehicle. They may not be used for storage purposes.