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DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
REGISTER OF DEEDS

THIS DECLARATION, made the date hereinafter set forth by Pinnacle Homes Inc., a Nebraska corporation, hereinafter referred to as Declarant.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Sarpy County, Nebraska, which is more particularly described as:

Birchfield, 3rd Addition, Lots 1-23 inclusive, and Outlot "A", a subdivision as surveyed, platted and recorded in Sarpy County, Nebraska.

NOW, THEREFORE, Declarant hereby declares that the property described above, together with all of the properties make a part hereof in accordance with Section 4, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run, perpetually with all of said real property and be binding on all parties having any right, title or interest in the described properties or, any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Birchfield Townhomes Association, Inc., a Nebraska nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner whether one or more persons or entities, of a fee simple title to any townhome unit which is a part of the Properties, but excluding in all cases those having any such interest merely as security for the performance of any obligation or as an encumbrance upon the interest of a beneficial owner. If a townhome Unit or Lot is sold under a recorded contract of sale under which the seller retains title solely as security for the performance of the purchaser's obligations under the contract, the purchaser (rather than the fee Owner) will be considered the Owner.

Section 3. "Properties" shall mean and refer to Lots 1 through 23, inclusive, and Outlot A of Birchfield 3rd Addition, a Subdivision, as surveyed, platted, and recorded in Sarpy County, Nebraska that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any platted Lot shown upon any recorded subdivision map of the Properties, or one of two parcels resulting from a Lot split.

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Section 5. "Declarant" shall mean and refer to Pinnacle Homes, Inc., its successors and assigns.

Section 6. "Unit" shall mean each individual dwelling/townhome unit (1/2 of the duplex or 1/3 of the triplex) and the Lot upon which it is situated.

Section 7. "Common Area" shall mean and refer to all property owned by the Declarant or its successor or assign, including Outlot A, Birchfield 3rd Addition, a Subdivision, as surveyed, platted, and recorded in Sarpy County, Nebraska. Outlot A, Birchfield 3rd Addition, shall be owned and held by either the Declarant or its successors and assigns, and maintained by the Association pursuant to Article III, Sections 9 and 10.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Unit which is subject to assessment shall be a member of the Association. Each Lot Owner is empowered to enforce the covenants. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. The Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each unit owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot or Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On July 1, 2001.

ARTICLE III

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Unit by

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acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges, such assessments to be established and collected as hereinafter provided. The annual assessments, together with interest, costs, and attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs, and attorney's fees, shall also be the personal obligation of the person(s) who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Assessments. The assessments levied by the Association shall be used exclusively for the expenses and costs of the operation of the Association, the exterior maintenance of the Lots and the Common Area, as more particularly described in Section 9, insurance on the Common Areas, more particularly described in Section 10, for a sprinkler system in the common Areas, if installed, and for a privacy fence around the Properties, if constructed.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall not exceed Seven Hundred Eighty Dollars (\$780.00) per Unit.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 of this Article shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership 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 the subsequent meeting shall be held within thirty (30) days following the preceding meeting.

Section 5. Rate of Assessment. Annual assessments must be fixed, based on the status of each Lot. All Lots which have a townhome Unit completed and residents living therein will be assessed. Lots or Units under construction, which are vacant, used as models and/or unsold

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to third party purchasers (not the Declarant's or his assigns) will not be assessed. All assessments may be collected on a monthly basis.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual monthly assessments provided for herein shall commence as to all Units on the first day following the conveyance of the first townhome Unit to a third party purchaser. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot or Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit is binding upon the Association as of the date of its issuance.

Section 7. Effect of Nonpayment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed delinquent and shall bear interest from the due date at the maximum legal rate allowable by law in the State of Nebraska, which at the time of execution of these Declarations is sixteen percent (16%) per annum. Should any assessment remain unpaid for more than thirty (30) days after the due date, the Association may declare the entire unpaid portion of the assessment immediately due and payable and thereafter delinquent. The 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 a court having jurisdiction for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided for herein by maintaining his or her own Unit or Lot.

Section 8. Subordination or the Lien to Mortgages. The lien of 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. Sale or transfer of any Unit shall not affect the status or priority of the lien for assessments made therein. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of security device is in default if the Board determines that such lien has no value to the Association. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. The Association shall have the responsibility to collect all assessments due.

Section 9. Exterior Maintenance and Services. "Exterior Maintenance" (as defined herein) of each townhome Unit and Lot shall be provided by the Association and each Owner does hereby consent and grant to the Association a perpetual and permanent easement over and across such Unit and Lot and the Common Areas at any reasonable time to perform such exterior maintenance. Exterior maintenance shall mean maintenance of the lawns (mowing, fertilization, and chemicals), snow removal (all walkways, front porches, and driveways), and other exterior landscaping improvements as originally installed by the Declarant, if any, except such improvements within any Lot installed by or at the direction of the owner thereof, which shall be the responsibility of such Owner, maintenance repair, and reconstruction of improvements,

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grounds, sprinkler systems installed in and utility improvements in, and insurance for, the Common Areas, and any privacy fences erected by the Declarant, or by its successors and assigns, or by the Association. Exterior maintenance shall not include any repairs or maintenance of sanitary sewer, water, gas or electrical lines on an Owner's Lot, roof repair or replacement, repair or maintenance of gutters, downspout, siding materials, sprinkler systems, or any damage to property of any kind normally covered by homeowners insurance policies with extended coverage including but not limited to such items as glass, garage doors, entrance doors, and owners personal property. All exterior surfaces of the townhome Units shall be in earth tone colors. To facilitate such earth tone color schemes, all units shall be vinyl sided with colors to be selected by the Architectural Control Committee of the Association. There shall be no exterior painting permitted of any townhome Unit by any Owner, except any portion of the exposed foundation and front door frame and door. All exterior maintenance that is not the responsibility of the Association shall be the responsibility of each Owner of a townhome Unit and Lot.

In the event that the need for any exterior maintenance of a Unit or the improvements thereon by the Association is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests, and invitees of the Owner of the Unit needing such maintenance, the cost of such added to and exterior maintenance by the Association shall become part of the assessment to which such Unit is subject under this Declaration.

With respect to those maintenance obligations that are not the responsibility of the Association, in the event an Owner of any Unit shall fail to maintain the exterior of the Owner's Unit and any other improvements situated on the owner's Lot in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the Owner's Lot and to repair, maintain, and restore the Unit and any other improvements erected on the owners Lot, and each Owner hereby grants to the Association, its agents, servants, employees, representatives and contractors a perpetual easement therefor. The cost of such exterior maintenance shall be added to and become an additional part of the assessment to which such Unit is subject under this Declaration. Further, the Owners of the Units appurtenant to the Common Areas hereby grant to the Declarant, its successor and assigns, and to the Homeowner's Association a perpetual easement for the purpose of installing and maintaining a separate water meter to control and monitor the water usage of any sprinkler system installed in the Common Areas.

Section 10. Insurance. Each townhome Owner shall provide homeowners insurance with respect to the improvements (townhome Units) in an amount equal to at least eighty percent (80%) of the full replacement value of said improvements or in an amount as may be required by any mortgage holder, whichever is higher, against loss by fire, lightning, windstorm, and other perils covered by standard extended coverage endorsement, and insurance against such other hazards in amounts as are normally carried by owners of like Units. Upon request of the Association from time to time, each Owner shall provide written evidence of this insurance coverage. Liability insurance for the Common Areas shall be maintained by the Association at its expense.

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ARTICLE IV

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the town home Unit upon the Properties and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. 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 Owners, thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, subject however, to the right of any such owners to call for a larger contribution from the others under and rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes that party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Run With the Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party to the dispute shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be binding and enforceable against the parties to the dispute.

ARTICLE V

RESTRICTIONS, EASEMENTS AND MISCELLANEOUS PROVISIONS

Section 1. Restrictions. Every Owner shall have full rights of ownership and enjoyment to his individual Unit, subject to the following restrictions:

- (a) No noxious or offensive trade or activity shall be carried on in or from any Unit, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No outside above ground trash or garbage piles, burners, receptacles or incinerators shall be erected, placed or permitted on any Lot. Except while under construction, any wood storage piles and equipment shall be walled in or kept screened

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by adequate planting or by other means in such a manner as to conceal them from view. boats, boat trailers, recreational trailers and recreational vehicles shall not be parked on driveways or side yards on any Lot or Unit for more than seven (7) days cumulatively in any calendar year.

(b) No fences, except the privacy fence erected by Declarant or his assigns, shall be erected without the prior written consent of the Board of Directors of the Association. All lots shall be kept free of all kinds of trash and debris.

(c) No trailer, basement, tent, shack, garage, barn or other building erected on any Lot shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence until all exterior construction is fully completed according to approved plans.

(d) No birds, snakes, cattle, horses, sheep, poultry, pigs or any other animals shall be kept or maintained on an Lot. Each Owner may, however, keep a maximum of two (2) domestic pets.

(e) All exterior lighting shall be so installed and maintained so as not to unreasonably disturb adjoining Units.

(f) Except for approved chemical temporary toilets to be used only during construction, no outdoor toilets may be constructed or maintained on any Lot.

(g) All Lots shall be used only for residential purposes, except such Lots, or portions thereof, as may hereinafter be conveyed or dedicated for public, church, educational or charitable uses.

(h) No clothes lines or clothes hangers shall be constructed on any Lot or Unit or used on any Lot outside of a building located thereon.

(i) No exterior T.V. or radio antenna shall be erected on any Lot or Unit; provided, however, that with the written permission of the Association, a satellite dish measuring 24 inches or less in diameter may be erected so long as such dish is hidden from the view of adjoining Lots.

(j) No awnings or sunscreens of any type shall be affixed to any Unit without the written consent of the Association.

(k) No auto, truck, motorcycle or other vehicle shall be repaired, torn-down, rebuilt, or stored on any Lot other than in an enclosed building.

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ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence (except for a privacy fence which may be installed by the Association in its sole discretion), wall or other structure or improvement shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until complete plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of representatives appointed by the Board. In the event said Board, or its designated committee, falls to approve or disapprove such design and location within thirty (30) days after said complete plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they may be automatically extended for successive periods of ten (10) years by action of not less than seventy-five percent (75%) of the Unit Owners. Subject to complying with the provisions of Section 5 of this Article, this Declaration may be amended or dissolved by an instrument signed by not less than seventy-five percent (75%) of the Unit Owners. Any amendment or extension must be recorded to be effective.

Section 4. FHA/VA Approval. During the period that there is a Class B membership and the loan on any members Lot or Unit is made or insured by either the Federal Housing Administration or the Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration as the case may be: (a) annexation of additional properties within the Jurisdiction of the Association; (b) any mortgaging or dedication of any common areas of the Association; and (c) the amendment of

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this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set its hand and seal this day of July, 21, 1997.

Declarant: Pinnacle Homes, Inc.
By Richard C. Morgan
Richard C. Morgan, Vice-President

STATE OF NEBRASKA)
)ss
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 21 day of July, 1997 by Richard C. Morgan, Vice-President of Pinnacle Homes, Inc.

Notary Public in and for the State of Nebraska
My Commission expires:



Jeffrey C. Smith

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BIRCHFIELD TOWNHOMES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Birchfield Townhomes Association, Inc., a Nebraska non-profit corporation (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at 1035 N. 127th Avenue, Omaha, NE 68154, but meetings of members and directors may be held at such places within the State of Nebraska, County of Sarpy, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Birchfield Townhomes Association Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions, and such additions thereto as may hereafter be brought within the Jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to those plots of land shown on the recorded subdivision map of Birchfield.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities holding fee simple title to any townhome unit or Lot which is a part of the Properties, but excluding in all cases those having any such interest merely as security for the performance of any obligation. If a townhome unit or Lot is sold under a recorded contract of sale, the purchaser (rather than the fee Owner) will be considered the Owner.

Section 5. "Declarant" shall mean and refer to Pinnacle Homes, Inc., or its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purposes of development.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Registrar of Deed of Sarpy County, Nebraska.

Section 7. "Member" shall mean and refer to those persons entitled membership as provided in the Declaration.

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Unit which is subject to assessment shall be a member of the Association. Each Lot Owner is empowered to enforce the covenants. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. The Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. Class B members shall be the Declarant, or its successors or assigns, and shall be entitled to three (3) votes for each Lot or Unit owned. The Class B membership shall cease and be converted to Class A membership on the earlier occurrence of either of the following events:

- (a) when the votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on July 1, 2001.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held at the registered office of the corporation within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of five o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at anytime by the President or by the Board of Directors, or upon written demand made on one of the corporate officers by the members who constitute at least five percent (5%) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a

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copy of each notice to each member entitled to vote thereat, addressed to the members address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice at least ten (10) days in advance. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member or his/her Unit.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be a member of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter, the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

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ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice at the registered office of the corporation at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than two (2) days' written notice to each director of the date, time and place of such meeting.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (b) Exercise for the Association all powers, duties and authority vested in the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors and appoint a successor thereto;
- (d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to set their compensation and prescribe their duties; and,
- (e) Such other powers as may be vested in the Board by the laws of the State of Nebraska.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present

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a statement thereof to the members at the annual meeting of the members, or at any special meeting when such a statement is requested in writing by five percent (5%) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

(2) File and foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owners personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as may deem appropriate,

(f) Cause the Lots, Units and Outlot A to be maintained in accordance with the Declaration; and

(g) Enforce all covenants, conditions and restrictions affecting any Lot or Owner as set forth in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may, from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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Section 4. Special Appointment. The Board may elect such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such a vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, contracts, and other written instruments and shall co-sign all checks and promissory notes; and, call special meetings of the members.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, keep the corporate seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to each of the members.

97-015506F

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose and powers.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member of the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual assessments which may be secured by a lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessments are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate allowable in the State of Nebraska for individuals, which is presently sixteen percent (16%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and attorney's fees of any such action shall be added to the amount of such assessment and be recoverable by the Association as part of the assessment. The liability established by this paragraph shall be personal. No Owner may waive or otherwise escape liability for the assessments provided for herein by performing his/her own lot maintenance to be provided by the Association or by transferring or conveying the Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Birchfield Townhomes Association, Inc.

97-0155666

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members present, by a vote of a majority of the voting power of the members present in person or by proxy; provided, however, during the period that there is a Class B membership and the loan on any members Lot or Unit is made or insured by either the Federal Housing Administration or the Veterans Administration, any amendment of these Bylaws shall be required to be approved by the Federal Housing Administration or the Veterans Administration as the case may be before it shall become effective.

Section 2. In the case of any conflict between the Article of Incorporation, and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

INDEMNIFICATION

Section 1. In civil or administrative proceedings, the corporation may indemnify a former or present Director of the corporation, provided that the Director, or former Director, conducted him/herself in good faith and reasonably believed, in matters concerning his/her conduct while acting in an official capacity of the corporation, that his/her conduct was in the best interest of the corporation; and, in all other cases, that his or her conduct was not opposed to its best interests.

In criminal proceedings, in addition to the foregoing criteria, the Director had no reasonable cause to believe that his/her conduct was unlawful.

The corporation may not indemnify a Director or former Director in: 1) connection with a proceeding by or in the right of the corporation in which the Director was adjudged liable to the corporation; and, 2) in connection with any proceeding charging improper personal benefit to the Director, whether or not involving action in his/her official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

Section 2. The corporation shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party because he or she was a Director of the corporation against reasonable expenses actually incurred by the Director in connection with that proceeding.

Section 3. The determination of entitlement of a Director or former Director to indemnification shall be made in accordance with Nebraska law.

Section 4. The Officers, employees, or agents of the corporation who are not a Director are entitled to mandatory indemnification in the manner provided in Section 2 above to the same extent as a Director of the corporation.

97-015566H


Section 5. The Board of Directors shall be empowered to procure and maintain liability, and/or errors and omissions insurance for any Director, Officer, agent, or other person to the full extent authorized, empowered, or directed by applicable law.

ARTICLE XV

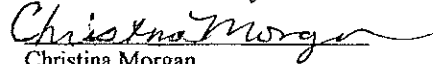
MISCELLANEOUS

The fiscal year of the Association shall be in on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Birchfield Townhomes Association, Inc. have hereunto set our hands this 21st day of July, 1997.

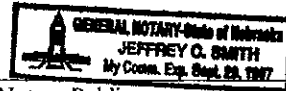

Joseph Duyser

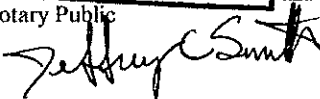

Richard C. Morgan


Christina Morgan

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 21 day of July, 1997, by Joseph Duyser, Richard C. Morgan, and Christina Morgan, directors of the Birchfield Townhomes Association, Inc.



Notary Public


Birchfield, 3rd addition, lots 1-23 inclusive, & outlot "A". Sarpy county

R+R
Dayle Sanford
7072 S. 154th St.
Omaha, NE 68138

COUNTER P C.E. Bo
VERIFY P D.E. Bo
PROOF POW
FEES \$ 16.50
CHECK # 2018
CHG _____ CASH _____
REFUND _____ CREDIT _____
SHORT _____ NCR _____

FILED SARY CO. NE.
INSTRUMENT NUMBER
2007 - 36358
2007 DEC -7 P 2:08 PM

Stamped Copy

Sherry Robinson
REGISTER OF DEEDS

Amendment to Bylaws of Birchfield Townhomes Association, Inc.

This amendment to the Bylaws was made at the Birchfield Townhomes Association meeting of November 19, 2007.

WHEREAS, on the 23rd day of July 1997 the Bylaws of Birchfield Townhomes Association, Inc. were recorded in Sarpy County Nebraska as Instrument Number 97-015566.

Now, Therefore, the Bylaws of Birchfield Townhomes Association, Inc are hereby amended as follows:

Amend Article XV to add a second paragraph to read as follows:

Each unit shall be used and occupied only as a single-family residence and for no other purpose. No unit shall be rented or leased by any owner. Where a unit is currently rented or leased, the agreement/contract shall be terminated upon the expiration date of existing agreement/contract.

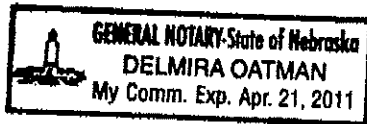
This Amendment shall apply to all units of the Birchfield Townhomes Association, in the Birchfield, 3rd addition, Lots 1 through 23 inclusive, Sarpy County, Nebraska.

Dayle Sanford
President, Birchfield Townhomes Association, Inc.

Wendy Robinson
Secretary, Birchfield Townhomes Association, Inc.

STATE OF NEBRASKA)
) ss.
COUNTY OF SARPY)

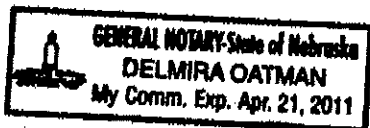
The foregoing instrument was acknowledged before me on this 6th day of Dec, 2007 by Dayle Sanford, President of Birchfield Townhomes Association, Inc, a Nebraska non-profit corporation, on behalf of the corporation.



Delmira Oatman
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF SARPY)

The foregoing instrument was acknowledged before me on this 6th day of Dec 2007 by Wendy Robinson, Secretary of Birchfield Townhomes Association, Inc, a Nebraska non-profit corporation, on behalf of the corporation.



Delmira Oatman
Notary Public