

**ARTICLES OF INCORPORATION OF
CIMARRON WOODS WEST VILLAS OWNERS ASSOCIATION**

In compliance with the requirements of the Nebraska Nonprofit Corporation Act, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

**ARTICLE I
Name**

The name of the corporation is Cimarron Woods West Villas Owners Association, hereafter called the "Association."

**ARTICLE II
Mutual Benefit Corporation**

The Association is a mutual benefit corporation.

**ARTICLE III
Principal Office**

The principal office of the Association is located at 11205 South 150th Street, Suite 100, Omaha, Nebraska 68138.

**ARTICLE IV
Registered Agent and Office**

Gerald Torczon, is hereby appointed the initial registered agent of this Association and the registered office of the Association is located at 11205 South 150th Street, Suite 100, Omaha, Nebraska 68138.

**ARTICLE V
Purpose and Powers of the Association**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots within that certain tract of property described as:

Lots Two Hundred Eighty-six (286) through Three Hundred Seventy-nine (379), inclusive, in CIMARRON WOODS, a subdivision as surveyed, platted and recorded in Sarpy County, Nebraska,

and to promote the health, safety and welfare of the residents within the above-described property and of the homes situated on the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

a. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Cimarron Woods West Villas, as the same may be amended from time to time, hereinafter collectively called the "Declaration," applicable to the property and recorded or to be recorded in the Offices of the Register of Deeds of Sarpy County, Nebraska and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

b. fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

c. acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

d. borrow money, and with the assent of two-thirds (2/3) of the members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e. participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members of the Association;

f. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Nebraska by law may now or hereafter have or exercise.

ARTICLE VI **Membership**

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants or record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII **Voting Rights**

The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to twelve (12) votes for each Lot 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 January 1, 2010.

ARTICLE VIII **Board of Directors**

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association or be Owners. The number of directors may be

changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Gerald Torczon	11205 South 150 th Street, Suite 100, Omaha, Nebraska 68138
Doris Nicholson	11205 South 150 th Street, Suite 100, Omaha, Nebraska 68138
Barbara Dworak	11205 South 150 th Street, Suite 100, Omaha, Nebraska 68138

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.

ARTICLE IX
Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X
Duration


The corporation shall exist perpetually.

ARTICLE XI
Amendments

Amendment of these Articles shall require the assent of a majority of the entire membership.

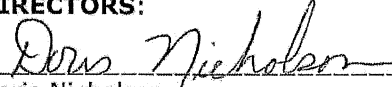
IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Nebraska, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 18 day of February, 2005.

INCORPORATOR AND DIRECTOR:

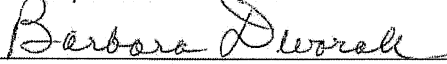


Gerald Torczon
11205 South 150th Street, Suite 100
Omaha, Nebraska 68138

DIRECTORS:



Doris Nicholson
11205 South 150th Street, Suite 100
Omaha, Nebraska 68138



Barbara Dworak
11205 South 150th Street, Suite 100
Omaha, Nebraska 68138

**BY-LAWS OF CIMARRON WOODS WEST
HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the Corporation is Cimarron Woods West Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be as designated by the Board of Directors from time to time, and meetings of Members and Directors may be held at such places within Douglas County or Sarpy County, Nebraska, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

All terms shall be defined in accordance with the definitions contained in the Declaration of Covenants, Restrictions and Easements of Cimarron Woods West and any amendments thereto (the "Declaration").

**ARTICLE III
MEMBERSHIP**

Section 1: Membership. The membership of the Association shall consist of the owners of Lots 1 through 379, inclusive, all within Cimarron Woods, a subdivision as surveyed, platted and recorded in Sarpy County, Nebraska. Membership in the Association shall be mandatory and no owner during his or her ownership of a lot shall have the right to relinquish or terminate his membership in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 2: Succession. The membership of each owner shall terminate when they cease to be an owner of a Lot, and their membership in the Association shall automatically be transferred to the new owner succeeding to such ownership interest. All assessments shall be fully earned and non-refundable.

**ARTICLE IV
MEMBERSHIP MEETINGS**

Section 1: Annual Meeting. The first annual meeting of the Association shall be held within one year from the date of incorporation. The annual meeting of the Association shall be held in a location, on a date and time to be designated by the Board. Each annual meeting shall be for the purpose of electing Directors and transacting any other business authorized to be transacted by the Members. If the date set for the annual meeting of the Membership is a legal holiday, the meeting will be held at the same hour on the first day following such legal holiday.

Section 2: Special Meetings. Special meetings shall be held whenever called by the President or Vice-President or by a majority of the Association's Board of Directors, and must be called by such officers upon receipt of a written request from Members entitled to cast one-third of the votes of the entire membership.

Section 3: Notice of Meetings. Notice of all meetings, stating the time, date, place and purpose for which the meeting is called, shall be given by the President or Vice-President or

Secretary, unless waived in writing. Such notice shall be in writing to each Member at the last known address shown on the records of the Association and shall be mailed at least ten (10) days but no more than sixty (60) days prior to the date of the meeting. Proof of such mailings shall be made by affidavit, duly executed by the Person giving the notice. Notice of meeting may be waived before or after any such meeting.

Section 4: Quorum. A Quorum at any meeting shall consist of twenty (20%) percent of those Persons entitled to cast all votes of the Association. If any meeting of the Members cannot be organized because a quorum has not attended, the Members present either in Person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in Section 3 of this Article.

Section 5: Voting. The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to twelve (12) votes for each Lot 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 three-fourths of the total votes outstanding in the Class B membership, or
- b. on June 1, 2012 or sooner at Declarant's discretion.

No Owner shall be eligible to vote, either in person or by proxy, if that Owner is shown in the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 6: Proxies. Votes may be cast in Person or by proxy as provided in the Act.

ARTICLE V BOARD OF DIRECTORS

Section 1: Number. The business of the Association shall be managed by a Board of Directors of at least three (3) Directors nor more than five (5) Directors, who shall serve without compensation. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director; provided, however, that no Director shall expend more than twenty (\$20.00) dollars without the express approval of the Board of Directors.

Section 2: Term of Office. Other than Directors appointed by Declarant, the Directors shall be elected as provided in this Declaration. Directors shall be elected for terms staggered on a one (1), two (2) and three (3) year basis. One (1) Director shall be elected for one (1) year, one (1) Director shall be elected for two (2) years and one (1) Director shall be elected for three (3) years. After the initial term of each such Director, all Directors thereafter shall be elected for three (3) years terms. In the event that there are more than three (3) Directors, each additional Director shall be for three (3) year terms. Each Director shall serve for the term set forth hereinabove and until his or her successor is duly elected and qualified, or until removed from office as provided herein.

Section 3: Qualifications. Each Director shall be a member of the Association (or if a Member is an employee of the corporation, partnership, limited liability company or trust, a Director may be an officer, partner, member, managing member, beneficiary or trustee of such Member). If a Director shall cease to meet such qualifications during their term, he will thereupon cease to be a Director, and his place on the Board shall be deemed vacant.

Section 4: Removal. Any Director may be removed from the Board, with or without cause, by concurrence of a two thirds (2/3) majority of the votes cast by the quorum present at any regular or special meeting of the Association called for that purpose.

Section 5: Vacancies. In the event of the death, resignation or removal of a Director, their successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of their predecessor.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. Nomination for election to the Board may be made by a nominating committee. Nominations may also be made from the floor at the annual meeting by a Member in good standing. The nominating committee shall be appointed by the Board of Directors at least sixty (60) days prior to each annual meeting and shall serve until such annual meeting has been concluded. The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled.

Section 2: Election. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of votes cast. Each person entitled to vote may cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

ARTICLE VII MEETING OF DIRECTORS

Section 1: Regular Meeting. Regular meetings of the Board of Directors may be held at such times and places which are determined, from time to time, by a majority of the Association's Board of Directors. Notice of Regular meetings shall be given to each Director, personally or by mail, telephone or equivalent service, at least three (3) days prior to the date of any Regular meeting. Notice of meeting may be waived before or after any such meeting.

Section 2: Special Meetings. Special meetings of the Board of Directors may be held at the request of the President, Vice-President or Secretary, and must be held at the written request of two-thirds (2/3) of the Directors. Notice of special meetings shall be given to each Director, personally or by mail, telephone or equivalent service, at least five (5) days prior to the date of any special meeting. Such Notice shall state the time, date, place and purpose of the special meeting. Notice of meeting may be waived before or after any such meeting.

Section 3: Quorum. A quorum at Director's meetings shall consist of fifty (50%) percent of the votes thus represented of the entire Association's Board of Directors present at the beginning of a meeting. The acts approved by a majority of those Directors present at any

meeting at which a quorum is present shall constitute the acts of the Association, except where approval by a greater number of Directors is required by the Declaration or these By-Laws. If at any meeting of the Board of Directors less than a quorum is present, the majority of those present may adjourn the meeting until a quorum is present. Upon reconvening an adjourned meeting, any business called may be transacted without the necessity of providing any further notice.

Section 4: 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 Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Elect and remove the officers of the Association;
- (b) Engage the services of an agent, independent contractors or employees as they deem necessary to maintain, repair and replace perimeter fencing, cul-de-sac islands, entryway islands, sign areas and trees, grass and shrubbery which may be planted in such areas in the subdivision, and manage all other affairs and business of the Association for all of the Members, upon such terms and for such compensation as the Board may approve. Any agreement for the services of any such agent, independent contractor or employee shall provide for termination by the Association with or without cause, and without payment of a termination fee, upon thirty (30) days' written notice, and no such agreement shall be of a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods;
- (c) Maintain, keep in good repair and upkeep, and replace, as a regular annual maintenance expense assessed in accordance with this the Declaration, any perimeter fencing, treed buffer areas, cul-de-sac islands, entryway islands, sign areas and trees, landscaping, grass and shrubbery which may be planted in such areas in the subdivision which the Association is obligated to maintain, as such repairs, maintenance and replacements are required or necessary for the preservation of the such items;
- (d) Declare the office of a Member of the Board to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board; and
- (e) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the

Members by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

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

- (a) To cause to be kept a record of all acts and corporate affairs;
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration:
 - (i) To fix the annual amount of each regular assessment against each lot at least thirty (30) days in advance of each annual assessment, and
 - (ii) To send written notice of any change in assessment to every owner subject thereto at least fifteen (15) days in advance of each annual assessment period;
- (d) To issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of the payment of any assessment therein stated to have been paid;
- (e) To procure and maintain adequate liability insurance on property owned by the Association;
- (f) To cause all officers or employees having fiscal responsibilities to be bonded;
- (g) To cause all other affairs and business of the Association to be properly conducted and administrated.

ARTICLE IX
OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers. The executive officers of the Association shall consist of a President (who must also be a Director), a Vice-President, Treasurer, and Secretary.

Section 2: Election of Officers. The election of officers shall be made by a majority vote of the Board of Directors at the first meeting of the Board following each annual meeting of the Membership.

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 they shall sooner resign, or shall be removed, or otherwise become disqualified to service.

Section 4: Special Appointments. 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 by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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 officer may be filled by a majority vote of the quorum present of the Directors. The officer elected to such vacancy shall serve for the remainder of the term of the officer they replace.

Section 7: Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

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

(a) President. The President shall be the Chief Executive Officer of the Association, and shall supervise and control all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the Members and all meetings of the Board. The President may sign, with or without any other officer of the Association as authorized by the Board, contracts or other instruments which the Board has authorized to be executed, except where the signing and the execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. The President shall have the power to appoint and remove one or more administrative Vice-Presidents of the Association and such other assistants to the various elected officers of the Association as is necessary of the accomplishment of their duties. In general, the President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board.

(b) Vice-President. In the absence of the President, or in the event of the President's death, inability or refusal to act, the Vice-President, or if there is more than one Vice-President, the Senior Vice-President, shall perform the duties of the President, and when so acting shall have all the powers, of, and be subject to, all the restrictions upon the President. Otherwise, such Senior and other Vice-Presidents shall perform only such duties as may be assigned by the President or by the Board.

(c) Secretary. The Secretary shall keep the minutes of the meetings of the Members and the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws, or as required by law; be custodian of the records of the Association except those of the Treasurer, keep or cause to be kept under their general supervision by a registrar or transfer agent appointed by the Board, a register of the name and post office address of each Member as furnished by such Member; have general charge of the transfer books of the corporation; and in general perform all duties incidental to the office of the Secretary and such other duties as may be assigned to them by the President or by the Board.

(d) Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be directed by the Board; shall sign all checks and promissory notes of the Association except in those instances where the Board has delegated the authority to sign checks to a managing agent employed by the Association; shall keep proper books of account; may cause an annual audit of the books of the Association 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 Members at the regular annual meeting of the Members, and shall deliver a copy of such to the Members. The duties of the Treasurer may be performed by the managing agent.

Section 9: Committees. The Board shall appoint a nominating committee, as provided in the Declaration, and shall appoint other committees as the Board may deem appropriate to carry out the purposes of the Association.

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 By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association; a copy shall be provided initially for the Owners of each Lot, and additional copies shall be made available for purchase by Members at reasonable costs.

ARTICLE XI ANNUAL ASSESSMENTS

Section 1: Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray the costs of those duties and responsibilities undertaken by the Association pursuant to the Declaration.

Section 2: Assessments.

(a) All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors of the Association to meet its expenses. The expenses of the Association shall be assessed equally among all of the lot owners, except for Lots owned by the Declarant which shall not be assessed. Assessments for the estimated regular annual assessment shall be due in advance of the first day of January of each year.

(b) Each lot owner's obligation of payment of assessments shall begin on the first day of the following month in which the closing of the purchase of a Lot occurs. All assessments shall be fully earned and non-refundable.

(c) Assessments shall be based upon the cash requirements deemed to be such aggregate sum of the Board of Directors of the Association shall from time to time determine is to be paid by all of the lot owners to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, alterations and improvements allowed or required of the Association pursuant to the Declaration, which sum may include, but shall not be limited to, expenses of management, taxes and special assessments until separately assessed; premiums for insurance, landscaping and care of grounds, repairs, wages, legal and accounting fees, management fees, expenses and liabilities incurred by any managing agent, if any, on behalf of the lot owners under or by reason of the Declaration and By-Laws of the Association for the creation of a reasonable contingency and reserve.

(d) Pursuant to the provisions of the Declaration and By-Laws, the Board of Directors may levy such assessments for the purpose of defraying the cost of repair or reconstruction of the improvements in the event of their damage.

(e) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or release of the owner's obligation to pay the same.

(f) Within thirty (30) days after adoption of any proposed budget for the Association, the Board of Directors shall provide a summary of the budget to all the lot owners, and shall set a date for a meeting of the lot owners to consider ratification of the Budget, which date shall not be less than fourteen (14) nor more

than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all the lot owners, or any larger vote specified in the Declaration, reject the Budget, the Budget is ratified, whether or not a quorum is present. In the event the proposed Budget is rejected, the periodic Budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors.

Section 3: Association Lien for Non-Payment of Common Expenses.

(a) All sums assessed by the Association but unpaid for the share of Common Expenses chargeable to any Lot shall constitute a lien on such Lot superior to all other liens and encumbrances, except only for tax and special assessment liens of the Lot in favor of any assessing entity, and all sums unpaid on any Mortgage filed of record prior to the filing of the Declaration, including all unpaid obligatory sums as may be provided by such encumbrances. In the event of default of payment of the assessment, the Owner shall be obligated to pay interest at the rate of sixteen (16%) per annum or the maximum legal rate of interest, whichever is less, on the amount of the assessment from due date thereof together with all expenses, including attorney's fees incurred together with such late charges as provided by the Board of Directors or the Bylaws of the Association. To evidence such lien, the Board of Directors shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of accrued interest and late charges thereon, the name of the owner of the Lot and a description of the Lot. Such notice of lien shall be signed by one of the members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Sarpy County, Nebraska. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been fully paid.

(b) Such lien may be enforced by the foreclosure of the defaulting owner's Lot by the Association in the manner of a deed of trust or mortgage on real property upon the recording of a notice of claim thereof. In any such proceedings, the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure, all additional costs, all expenses and reasonable attorney's fees incurred. The Owner of the Lot being foreclosed shall be required to pay the Association the monthly assessment for the Lot during the period of foreclosure, and the Association shall be entitled to a receiver during foreclosure. The Association shall have the power to bid on the Lot at foreclosure or other legal sale and to

acquire and hold, lease, mortgage, vote the votes appurtenant to, convey and otherwise deal with the same.

(c) Any Mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Lot, and upon such payment, such encumbrancer shall have a lien on such Lot for the amount paid of the same rank as the lien of this mortgage or encumbrance within the necessity of having to record a notice of claim of such lien. Upon request of a Mortgagee, the Association shall report to the Mortgagee of a Lot any unpaid assessments remaining unpaid for longer than thirty (30) days after the same is due; provided, however, that a Mortgagee shall have furnished to the Association notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien signed by one of the Members of the Association's Board of Directors or by one of the officers of the Association on behalf of the Association and shall be recorded in the Office of the Register of Deeds for Sarpy County, Nebraska.

(e) Notwithstanding any of the foregoing provisions, any Mortgagee who obtains a title to a Lot pursuant to the remedies set forth in its mortgage or deed of trust shall take title to the Lot free and clear of all annual assessments levied thereon prior to such transfer of title and free and clear of all liens created as a result of such assessments.

ARTICLE XII INDEMNIFICATION

Section 1: General. The Association shall indemnify and hold harmless each of its Directors and Officers, each member of any committee appointed by the Board, and Declarant, against any and all liability arising out of any acts or the Directors, Officers, Committee Members, Board, or Declarant or arising out of their status as Directors, Officers, Committee Members, or Declarant, unless any such act is a result of gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses including, by way of illustration but not of limitation, attorney's fees and costs reasonably incurred in connection with the defense of any claim, action or proceeding, whether civil, criminal, administrative or other, in which any such Director, Officer, Committee Member, or Declarant may be involved by virtue of such person having the status of a Director, Officer, Committee Member, or Declarant, provided, however, that such indemnity shall not be operative with respect to any matters to which such person shall have been finally adjudged in such action or proceeding to be liable for gross negligence or criminal intent in the performance of his duties.

ARTICLE XIII AMENDMENTS

These By-Laws may be changed, modified or amended, at a regular or special meeting of the Members, or by a majority of the Board of Directors at a regular or special meeting called for that purpose.

ARTICLE XIV
MISCELLANEOUS

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