performance of an obligation or as an encumbrance upon the interest of the beneficial owner, and

(b) The purchaser, whether one or more persons or entities, under a recorded contract for the sale and purchase of a Lot, under which the Seller retains title solely as security for the performance of the purchasers obligation under the contract.

SECTION 3. "Properties" shall mean and refer to:

Lots 1 through 25, inclusive, and Outlots A, B, C and D, of The Reserve, a subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded,

together with any 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.

SECTION 5. "Improved Lot" shall mean and refer to any Lot included within the Properties upon which shall be erected a dwelling the construction of which shall be at least 80% completed according to the plans and specifications for construction of said dwelling.

SECTION 6. "Assessable Lot" shall mean and refer to any Improved Lot which the Board of Directors of the Association determines is entitled to the benefits for which assessments are levied by the Association as provided in this instrument.

SECTION 7. "Declarant" shall mean and refer to all persons and entities signing this instrument, their successors and assigns.

SECTION 8. "Common Area" shall mean and refer to all property owned by the Association including, but not limited to Outlots B, C and D, The Reserve, and Outlot A, The Reserve. Outlot A, The Reserve, shall be owned and held by the Declarant and maintained by the Association pursuant to Article XI hereof. The roadway shall be located upon Outlot D, The Reserve.

ARTICLE II
PROPERTY RIGHTS

ISSUE #1

SECTION 1. The Association may suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for any period not

MARKUP #1 ->

MARKUP #1 · POTENTIAL STATUTE CONFLICT — BOARD & COUNSEL REVIEW

Sec. L (p. 2): Voting rights suspension clause lacks Nebraska statutory notice, hearing due process, or delinquency safeguards (Neb. Rev. Stat. § 76-860(a)(11)).

Statutory / Legal Reference: Neb. Rev. Stat. § 76-860(a)(11); Neb. Rev. Stat. § 76-825 to 76-894, Ch. 21, Art. 19 & 299 NAC Ch. 5 (Nebraska Real Estate Commission Disclosure Rules); Neb. Rev. Stat. § 21-1901 to 21-19,177...

Statutory Comparison: Under Nebraska community association and nonprofit corporation statutes (Neb. Rev. Stat. § 76-860(a)(11); Neb. Rev. Stat. §§ 21-1901 to 21-19,177 (Nebraska Nonprofit Corporation Act)), member voting rights are a fundamental corporate governance right and may not be summarily suspended without strict compliance with statutory delinquency thresholds, prior written notice, and an opportunity to be heard.

CURRENT WORDING IN DOCUMENT:
The Association may suspend the voting rights of an Owner for any period during which any assessment against such Owner ' s Lot remains unpaid , and for any period not / ' ' / % to exceed 60 days for any infraction by any such Owner , or members or such Owner ' s family , or guests or tenants of such Owner , of the published rules and regulations of the Association .

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):
Notwithstanding any contrary provision in this section, this covenant shall be administered and enforced strictly in accordance with Neb. Rev. Stat. § 76-860(a)(11); Neb. Rev. Stat. § 76-825 to 76-894, Ch. 21, Art. 19 & 299 NAC Ch. 5 (Nebraska Real Estate Commission Disclosure Rules); Neb. Rev. Stat. § 21-1901 to 21-19,177 (Nebraska Nonprofit Corporation Act). Association counsel should review this provision and adopt a conforming amendment or board policy resolution to align with Neb. Rev. Stat. § 76-860(a)(11); Neb. Rev. Stat. § 76-825 to 76-894, Ch. 21, Art. 19 & 299 NAC Ch. 5 (Nebraska Real Estate Commission Disclosure Rules); Neb. Rev. Stat. § 21-1901 to 21-19,177 (Nebraska Nonprofit Corporation Act).