

REGENCY TOWNHOMES II ASSOCIATION

By-Laws

SECTION 1: OFFICES

- a. Registered Office: The registered agent and the registered office shall be located in Douglas County, Nebraska.
- b. Operating Headquarters: The operating headquarters and other offices may be located wherever the Board of Directors may direct or the affairs of the corporation may require.

SECTION 2: MEMBERS

- a. Members: Members shall be as follows:

(1) Each individual contract purchaser or owner of a townhome lot within the limits of any real property included in membership, any one of each of several individual contract purchasers or owners of any one such townhome lot designated by them or, in the absence of such designation, selected from among them by the Board of Directors, and each corporate or other non-individual contract purchaser or owner of any such townhome lot shall be a member and shall have one such membership for such townhome lot.

(2) Each membership of each member shall appertain to and be wholly coterminous with the duration of the equitable interest of such member as contract purchaser or owner of a townhome lot within the limits of any real property included in membership and shall be terminated forthwith upon the termination by death, by gift, by sale, or other involuntary or voluntary transfer or by any other means of such equitable interest.

- b. Meetings: Meetings of members shall be held as follows:

(1) Annual meetings of the members shall be held on the first Monday of April of each calendar year beginning in 1981 at the operating headquarters or wherever directed by the Board of Directors.

(2) Special meetings of the members may be held upon call by the Board of Directors at the operating headquarters or wherever directed by the Board of Directors.

(3) The President, the Vice President, or a substitute shall preside at, and the Secretary or a substitute shall record the minutes of, all meetings of the members.

(4) Such members present in person or by proxy shall constitute a quorum for any meeting of the members.

(5) Each member shall be entitled on the election of directors to cast in person or by proxy as many votes cumulatively or otherwise for each membership held as there are directors to be elected and shall be entitled on any other matter or question voted upon by the members to cast in person or by proxy one vote for each membership held.

(6) Unless otherwise required by these By-Laws, the majority vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to any vote taken by mail shall decide any matter or question voted upon by the members.

c. Action Without Meeting: The Board of Directors may, in place of holding any special meeting of the members, submit any matter or question to and take the vote of the members by mail.

d. Rights and Privileges: Subject to regulations or rules from time to time adopted by the Board of Directors, members shall be entitled to rights and privileges as follows:

(1) All individual members and their respective families and guests and all guests, invitees, or tenants of each member shall be entitled as appropriate to enjoy or otherwise to make use of all common ground within the limits of all real property included in membership; and the corporation shall maintain and preserve all common ground within the limits of all real property included in membership as open space or for recreational area purposes with suitable landscaping including lawns, plants, shrubs, trees, walkways, and other amenities appropriate, convenient, or necessary to clustered private residences for the general common benefit of all members.

(2) All members shall be entitled as appropriate to benefit from or otherwise to participate in all common functions and services performed or provided by the corporation; and the corporation shall as appropriate, convenient, or necessary for each townhome lot within the limits of all real property included in membership maintain and preserve all lawns and all plants, shrubs, and trees thereon not enclosed by private garden or patio walls by cultivating, fertilizing, mowing, planting, raking, replacing, seeding, trimming, watering from a source included in the water meter for such townhome lot, and otherwise providing all required care for such lawns plants, shrubs, and trees, clear or treat all driveways and sidewalks by applying chemicals or sand thereto or removing therefrom all appreciable or hazardous accumulations of ice, mud, or snow, conserve and retain appearance and materials of all private clustered residences by recaulking and repainting exterior wood trim and facia, tuckpointing masonry, and effecting other required exterior maintenance or repairs, and perform or provide related or other functions or services directed by the Board of Directors.

(3) All members and their respective townhome lots within the limits of all real property included in membership shall be entitled as appropriate to participate in or share any additional common or individual amenities, functions, services, or other privileges of membership extended by the corporation as determined from time to time by the Board of Directors.

e. Discipline and Enforcement: Members shall be subject to disciplinary and enforcement measures as follows:

(1) All members shall be subject to denial partly or wholly of access to, benefit from, or use of all or any facilities, functions, or services, suspension partly or wholly of all or any rights or privileges of membership, or any other disciplinary action directed by the Board of Directors for failure to pay any due or charges or for any other act or omission detrimental to the affairs of the corporation or otherwise improper.

(2) The corporation shall be entitled at any time or from time to time to institute any equitable or legal proceeding appropriate, convenient, or necessary for collection of any dues or charges or enforcement of any covenant or easement of concern to it or to take any appropriate, convenient, or necessary remedial or other action against any member or any townhome lot within the limits of all real property included in membership.

SECTION 3: DIRECTORS

a. Number and Election: The Board of Directors shall be comprised of directors elected as follows:

(1) Subject to delegation of management from time to time permitted or required by the Articles of Incorporation or these By-Laws, the affairs of the corporation and its assets and other property shall be managed exclusively by a Board of five directors who shall not be required to be members or officers, one of whom shall be elected annually by the members at each annual meeting from among the individuals nominated by the Nomination Committee for a term of office of five years beginning with the annual meeting for 1984, and who may succeed themselves in office.

(2) By designation or selection by lot or other method agreed to by the five directors comprising the initial Board of Directors, one director shall have a term of office until the fourth annual meeting after the first annual meeting when a director is elected, one director shall have a term of office until the third annual meeting thereafter, one director shall have a term of office until the second annual meeting thereafter, one director shall have a term of office until the next annual meeting thereafter, and one director shall have a term of office until the first such meeting.

b. Vacancies: The office of director shall be vacated and filled as follows:

(1) The office of any director shall be vacated forthwith upon the first occurring of the death of such director, the failure of such director without excuse to attend any three consecutive meetings of the Board of Directors, the removal of such director from office by a four-fifths vote of the Board of Directors either for or without cause, or the resignation of such director.

(2) Any vacancy among the directors may be filled by appointment by the remaining director or directors or, if there is none, by election by the members for the unexpired term of office.

c. Meetings: Meetings of the Board of Directors shall be held as follows:

(1) Annual meetings of the Board of Directors shall be held immediately following annual meetings of the members.

(2) Regular or special meetings of the Board of Directors may be held upon direction of the Board of Directors or called by the Chairman or a majority of the directors at the operating headquarters or wherever directed by the Board of Directors.

(3) The Chairman or a substitute shall preside at, and the Secretary or a substitute shall record the minutes of, all meetings of the Board of Directors.

(4) A majority of the directors shall constitute a quorum for any meeting of the Board of Directors.

(5) Each director shall be entitled on any matter or question voted upon to cast in person one vote.

(6) Unless otherwise required by these By-Laws, the majority vote of the entire number of directors present at any meeting of the Board of Directors shall decide any matter or question voted upon by the directors.

d. Action Without Meeting: The Board of Directors may, in place of holding any meeting, by unanimous written consent, dispose of any matter or question.

e. Chairman: The Chairman of the Board of Directors shall be elected at each annual meeting from among the directors and shall have the powers and rights and be charged with the duties and obligations usually vested in or appertinent to such office or from time to time directed by the Board of Directors.

f. Architectural Control Committee: There shall be an Architectural Control Committee of the Board of Directors as follows:

(1) The Chairman shall designate and from time to time replace members of or fill any vacancy in membership on an Architectural Control Committee comprised of three directors; and the Architectural Control

Committee may engage professional architectural and any other appropriate, convenient, or necessary advisors.

(2) Subject to regulations or rules from time to time adopted by it, the Architectural Control Committee shall consider preliminary plans, sketches, or specifications or other provisional data for all buildings, other structures, or additions thereto or modifications thereof subject to architectural approval of or control by the corporation and confer with advisors, representatives, or others concerned with such control and shall, after payment of a reasonable fee for its costs and within thirty days after receipt of two sets of final plans and specifications, including site plan, disclosing so far as relevant the color, elevation, height, kind, location, materials, nature, shape and size of any such proposed building or structure, approve or disapprove them as to harmony of external design and location in relation to surroundings, topography and other relevant architectural factors of concern to the corporation and thereupon issue a certificate of approval of such plans and specifications or a statement of the special grounds for their disapproval; and any such final plans and specifications so disapproved may be revised and resubmitted for consideration.

(3) In the absence of timely approval or disapproval of any such final plans and specifications, they shall be deemed to be approved as received by the Architectural Control Committee; but neither approval nor disapproval thereof shall constitute any guaranty, warranty, or other representation by the corporation as to the feasibility, practicability, or structural or other soundness or suitability of any such final plans or specifications or any such proposed building or structure.

(4) Subject to regulations or rules from time to time adopted by it, the Architectural Control Committee shall consider requests for partial or whole waiver of application of any covenant or easement subject to such waiver by the corporation and may issue a permit granting any such request to the extent consistent with relevant architectural factors of concern to the corporation.

g. Nomination Committee: There shall be a Nomination Committee of the Board of Directors as follows:

(1) The Chairman shall annually designate a Nomination Committee comprised of three directors.

(2) Subject to regulations or rules from time to time adopted by it, the Nomination Committee shall consider prospective nominees for director and receive recommendations from other directors and from the members and at each annual meeting of the members when any director is to be elected report the names of not fewer than two individuals nominated for each vacancy among the directors.

h. Executive and Other Committees: There may be an Executive Committee of the Board of Directors and other committees of the Board of Directors or the members as follows:

(1) The Chairman may designate and from time to time replace members or fill any vacancy in membership on an Executive Committee and any one or more special or other standing committees comprised of any number of directors directed by the Board of Directors.

(2) The Chairman may designate and from time to time replace any member of or fill any vacancy in membership on any one or more special or standing committees comprised of any number of directors, members, or both directors and members directed by the Board of Directors.

(3) The Executive Committee and any other committee so designated shall have the powers and rights and be charged with the duties and obligations usually vested in or appertinent to each such committee or from time to time directed by the Board of Directors.

i. Liability: No director shall be accountable or liable for any expense, gain, loss or profit in connection with any transaction in which such director may have any actual or potential direct or indirect adverse interest; and no such transaction shall be void or voidable even if the vote of such director may be required for its authorization or ratification.

j. Fees and Expenses: The directors shall serve without remuneration for their services, but the Board of Directors may provide for the reimbursement of expenses incurred by them.

SECTION 4: OFFICERS, AGENTS, and EMPLOYEES

a. Officers: Officers shall be appointed or elected as follows:

(1) The principal officers shall be a President, a Vice President, a Secretary, and a Treasurer, who shall not be required to be members or directors, who shall be elected annually by the Board of Directors at each annual meeting for a term of office of one year, and who may succeed themselves in office.

(2) The Board of Directors may from time to time appoint, discharge, engage, or remove subordinate officers or assistants to the principal officers found to be appropriate, convenient, or necessary for management of the affairs of the corporation.

(3) The officers shall have the powers and rights and be charged with the duties and obligations usually vested in or appertinent to such offices or from time to time directed by the Board of Directors.

b. Vacancies: The office of any principal officer shall be vacated and filled as follows:

(1) Any principal officer may be removed from office at any time by a majority vote of the Board of Directors either for or without cause.

(2) Any vacancy among the principal officers may be filled by appointment by the Board of Directors for the unexpired term of office.

c. Agents and Employees: The principal officers may from time to time appoint, discharge, engage, or remove additional agents and employees found to be appropriate, convenient, or necessary for management of the affairs of the corporation.

d. Fees, Expenses, and Wages: The officers shall serve without remuneration for their services but shall be reimbursed for expenses incurred by them, and the Board of Directors may from time to time fix the wages and other compensation paid any agent or employee.

SECTION 5: DUES, INSURANCE, and RELATED MATTERS

a. Fiscal Year: The fiscal year of the corporation shall coincide with the calendar year unless otherwise directed by the Board of Directors.

b. Annual Budget: Before each fiscal year, the Board of Directors shall adopt and fix in reasonably itemized detail an annual budget for the then anticipated fiscal affairs and general operations of the corporation for such fiscal year.

c. Insurance: Insurance shall be maintained and the proceeds thereof disposed of as follows:

(1) The corporation shall procure and maintain for each private clustered residence within the limits of all real property included in membership or for each group thereof sharing any one or more common structural elements for the benefit of all of the contract purchasers or owners thereof and all of the mortgagees thereof according to their respective interests therein one or more policies of insurance against the perils of fire, lightning, malicious mischief, and vandalism with extended coverage in amounts equivalent to full replacement costs of any damage or destruction caused by any such peril; and all members shall be entitled to procure and maintain any additional insurance with the same or additional coverage.

(2) The proceeds of all such insurance shall be applied, disposed of, and used to effect repairs or replacements in the event of damage or destruction covered by such insurance; and the corporation may effect any repairs or replacements not so covered and fix an extra charge for the reasonable costs of such repairs or replacements

(3) Liability and other insurance may from time to time be procured and maintained as determined by the Board of Directors.

(4) All premiums and other costs of insurance may from time to time be allocated among the members as determined by the Board of Directors.

d. Dues: Dues shall be ascertained and collected as follows:

(1) Standard dues for each membership shall be the sum of Ninety Dollars per month payable monthly and shall be increased only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to a vote thereon taken by mail; and, subject to abatement from time to time permitted or required by these By-Laws, as to each townhome lot within the limits of all real property included in membership there shall be due and payable to the corporation from the contract purchaser or owner or jointly and severally from all of the contract purchasers or owners thereof on the later occurring of January 1 of 1979 or the first day of the first month thereafter of completion thereon of a clustered private residence and on the first day of each month thereafter, become delinquent if not paid within thirty days thereafter, and constitute until paid a continuing charge against and lien upon such townhome lot actual monthly dues which shall be determined and fixed annually by the Board of Directors concurrently with the annual budget and shall be any sum for each such townhome lot consistent with or required by the annual budget and not more than one-third more than standard dues.

(2) Extra dues to finance any general capital improvements or meet extraordinary general expenses of the corporation shall not be more than the aggregate sum of One Hundred Dollars for any fiscal year and shall be increased only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to a vote thereon taken by mail; and as to each townhome lot within the limits of all real property included in membership there shall be due and payable to the corporation from the contract purchaser or owner or jointly and severally from all of the contract purchasers or owners thereof on the day of such determination, become delinquent if not paid within thirty days thereafter, and constitute until paid a continuing charge against and lien upon such townhome lot extra dues which shall be determined and fixed from time to time by the Board of Directors in addition to the annual budget and which shall be any sum for such townhome lot not more in the aggregate than One Hundred Dollars for each fiscal year.

e. Charges: Extra charges to meet partly or wholly the costs of insurance and of any facility operated or service provided by the corporation for the particular benefit of or with special reference to any townhome lot within the limits of any real property included in membership or for the individual benefit of or with special reference to any member shall be any sum not more than the actual reasonable cost of such insurance, facility, or service for such townhome lot or for such member; and subject to regulations and rules from time to time adopted by the Board of Directors and as to each such townhome lot or each such member, there shall be due and payable to the corporation from the contract purchaser or owner or jointly and severally from all of the contract purchasers or

owners thereof or from such member on the day incurred, become delinquent if not paid within thirty days thereafter, and constitute until paid a continuing charge against and lien upon such townhome lot an extra charge which shall be determined and fixed from time to time by the Board of Directors in addition to dues.

f. Apportionment and Abatement: Dues shall be subject to apportionment and abatement as follows:

(1) As to each townhome lot within the limits of all real property included in membership, there shall be due and payable to the corporation from the contract purchaser or owner or jointly and severally from all of the contract purchasers or owners thereof on the last occurring of January 1 of 1979, the first day of the first month of completion thereon and first occupancy and use of a clustered private residence, or the first day of the sixth month after completion thereon of a clustered private residence not first occupied or used during such period of six months, become delinquent if not paid within thirty days thereafter, and constitute until paid a continuing charge against and lien upon such townhome lot only as apportioned part of the of the total monthly dues for 1979 or for such later year proportionate to the remainder of such year to elapse before the next succeeding January 1; and the unapportioned part of such total monthly dues together with monthly dues for any earlier year shall be abated.

(2) By reason of purchase or ownership of more than one townhome lot subject to any dues or charges for the purpose of only limited use or for any other suitable reason, the Board of Directors may permanently or temporarily and partly or wholly abate any dues or charges as to any townhome lot or as to any member subject to such dues or charges; and for any suitable reason, the Board of Directors may permanently or temporarily and partly or wholly release or subordinate the charge against or lien upon any townhome lot subject to dues or charges.

g. Deposits, Checks and Loans: Funds shall be deposited and withdrawn and additional funds borrowed as follows:

(1) Funds and money of the corporation may from time to time be deposited by the officers, agents, and employees in any depository or depositories located in Nebraska or wherever directed by the Board of Directors.

(2) All checks, drafts, or other orders upon the corporation shall be signed by the Treasurer or any one or more other officers, agents, or employees directed by the Board of Directors.

(3) The Chairman or any one or more other officers directed by the Board of Directors may negotiate and consummate for the corporation all arrangements appropriate, convenient, or necessary for any loan to it.

h. Capital Improvement, Extraordinary Expense, and Property Disposition: Capital improvement, extraordinary expense, and property disposition shall be limited as follows:

(1) General capital improvements and extraordinary general expenses of the corporation financed by dues, charges, loans or otherwise of more than the total sum of Ten Thousand Dollars for any fiscal year shall be undertaken only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to a vote thereon taken by mail.

(2) Disposition by lease for more than twelve months, sale, or otherwise of any interest in real property owned by the corporation shall be undertaken only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy of any annual or special meeting or responsive to a vote thereon taken by mail.

i. Indemnification: Every director and officer shall be entitled during and after the term of office to be fully indemnified by exoneration, reimbursement, or otherwise and to be defended and otherwise saved harmless from all liability including court costs and legal fees for any matter connected with service as a director or officer in the performance of duty to the corporation.

SECTION 6: DELEGATION OF MANAGEMENT

The Board of Directors shall by contract or otherwise delegate to some competent third party or parties general authority, power, and responsibility for administration and executive management of the affairs of the corporation; and the Board of Directors may likewise delegate general authority, power, and responsibility for maintenance of the books and records of the corporation.

SECTION 7: BOOKS, RECORDS, and REPORTS

The books and records of the corporation shall be maintained at the registered office or wherever directed by the Board of Directors and the officers shall at each annual meeting of the members and when otherwise called for at any meeting of the Board of Directors present a clear and full report of the affairs and condition of the corporation.

SECTION 8: NOTICES and STATEMENTS

a. Notice for Meeting of Members: Not less than twenty nor more than thirty days next preceding any annual or special meeting of the members, each member shall be given by mail sent to the address of such member as last recorded with the Secretary a written notice of the time, place, and general purpose of each such meeting.

b. Statement of Dues, Charges, or Other Matters: Not less than twenty nor more than thirty days next preceding the day for action thereon or response

thereto by any member, each such member therewith concerned shall be given by mail sent to the address of such member last recorded with the Secretary a written notice or statement of any dues or charges, disciplinary action, recommendation of the Board of Directors to amend the Articles of Incorporation or these By-Laws, to extend, modify, or terminate all or any part of the Declaration applicable to all real property included in membership, to increase the standard dues, to undertake excess general capital improvements or extraordinary general expenses, or to dispose of any interest in real property, or any other matter or question submitted to the vote of the members taken by mail.

c. Notice for Meeting of Directors: Not less than three nor more than thirty days next preceding any annual or special meeting of the Board of Directors, each director shall have actual knowledge or be given by mail or otherwise a written notice of the time, place, and general purpose of such meeting.

d. Waiver: Any notice required by applicable law, the Articles of Incorporation, or these By-Laws shall be waived as to any meeting by the presence of any person entitled to such notice in person or by proxy at such meeting and may be waived at any time as to any meeting or any other matter or question by an oral or written waiver by any person entitled to such notice; and any such waiver, however and whenever made, shall be fully equivalent to the due and timely giving of such notice.

SECTION 9: SEAL

a. Form: The seal of the corporation shall consist of two concentric rings between which shall be inscribed the name of the corporation and the word, "Nebraska", and in the center of which shall be inscribed the words, "nonprofit corporation seal".

b. Use: The seal may be used by causing it or a reasonable likeness to be affixed to, impressed upon, or otherwise reproduced on any document or other instrument required to be sealed.

SECTION 10: ADOPTION, AMENDMENT, and DECLARATION

a. Adoption of By-Laws: These By-Laws shall take effect forthwith upon their adoption by the Board of Directors.

b. Declaration: Pursuant to Paragraph 1b of the Declaration applicable to all real property included in membership, the Board of Directors may accept for the corporation any additional suitable real property proposed to be included in membership; and pursuant to Paragraph 7a of such Declaration, all or any part thereof shall be extended, modified, or terminated only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to a vote thereon taken by mail.

c. Amendment of Articles of Incorporation and By-Laws: The Articles of Incorporation and these By-Laws may be amended as follows:

(1) All or any part of the Articles of Incorporation or these By-Laws may from time to time be altered, amended, or revoked by the unanimous agreement or consent or by a three-quarters vote of the entire number of memberships of the members.

(2) All or any part of the Articles of Incorporation or these By-Laws may from time to time be altered, amended, or revoked only upon recommendation of the Board of Directors accepted by a three-quarters vote of the entire number of memberships of the members present in person or by proxy at any annual or special meeting or responsive to a vote thereon taken by mail.