

BY-LAWS

**As adopted August 2, 1972
and
as amended May 11, 1981
November 20, 1981
February 20, 1992
April 1, 2003**

REGENCY TOWNHOMES ASSOCIATION

REVISED BY-LAWS

<u>Item</u>		<u>Page</u>
Section I.	OFFICES	1
	A. Registered Office	1
	B. Operating Headquarters	1
Section II.	MEMBERS	1
	A. Members	1
	B. Meetings	1
	C. Action Without Meeting	2
	D. Members Residence	2
	E. Rights and Privileges	2
	F. Discipline and Enforcement	4
Section III.	DIRECTORS	4
	A. Management, Number and Election	4
	B. Vacancies	5
	C. Meetings	5
	D. Action Without Meetings	5
	E. President	6
	F. Committees	6
	G. Liability	7
Section IV.	OFFICERS, AGENTS AND EMPLOYEES	7
	A. Officers	7

	B. Vacancies	8
	C. Agents and Employees	8
	D. Fees, Expenses and Wages	8
Section V.	FISCAL YEARA BUDGET, INSURANCE, DUES AND RELATED MATTERS	8
	A. Fiscal Year	8
	B. Annual Budget	8
	C. Insurance	8
	D. Dues	10
	E. Individual Services or Benefits	11
	F. Apportionment and Abatement	11
	G. Interest	11
	H. Deposits, Checks and Loans	11
	I. Capital Improvement, Extraordinary Expenses and Property Disposition	12
	J. Indemnification	12
Section VI.	DELEGATION OF MANAGEMENT	12
Section VII.	BOOKS, RECORDS AND REPORTS	13
Section VIII.	NOTICES AND STATEMENTS	13
	A. Notices	13
	B. Notice of Meeting of Members	13
	C. Statement of Dues, Charges or Other Matters	13
	D. Notice for Meeting of Directors	13
	E. Waiver	13

Section IX.	SEAL	14
	A. Form	14
	B. Use	14
Section X.	ADOPTION, AMENDMENT AND DECLARATION	14
	A. Adoption of By-Laws	14
	B. Declaration	14
	C. Amendment of Articles of Incorporation, Declarations and By-Laws	14

REVISED BY-LAWS AS OF APRIL 1, 2003

By recommendation of the Board of Directors and accepted by more than a three-quarters vote of the entire number of members responsive to a vote thereon taken by mail, the By-Laws of the Regency Townhomes Association, as referred to in the Articles of Incorporation of Regency Townhomes Association, dated June 25, 1971, and filed for record on July 1, 1971, in Book 150, Pages 76-80 of Corporation Records of the Douglas County Clerk of Douglas County, Nebraska, shall be and hereby are further revised and amended, effective as of the first day of April, 2003, to read as follows:

REGENCY TOWNHOMES ASSOCIATION

BY-LAWS

SECTION I: OFFICES

A. REGISTERED OFFICE: The registered agent and the registered office of the Regency Townhomes Association (hereinafter called "Corporation") shall be located in Douglas County, Nebraska.

B. OPERATING HEADQUARTERS: The operating headquarters and other offices may be located wherever the Board of Directors of the Corporation (hereinafter called "Board") may direct or the affairs of the Corporation may require.

SECTION II: MEMBERS

A. MEMBERS: Member(s) (hereinafter called "Member(s)") shall be as follows:

(1) Each individual contract purchaser or owner of a townhome lot (hereinafter called "Townhome Lot") within the limits of any real property included in membership (hereinafter called "Real Property") 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 and shall be terminated forthwith upon the termination by death, by gift, by sale, by 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 (hereinafter called "Annual Meeting") shall be held on the fourth Monday of April of each calendar year at the operating headquarters or wherever directed by the Board.

(2) Special meetings (hereinafter called "Special Meeting(s)") of the Members may be held upon call by the Board at the operating headquarters or wherever directed by the Board.

(3) The Board 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 at the time of the election of directors to the Board (hereinafter called "Director(s)") 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 Meeting 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 OF MEMBERS: The Board 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. MEMBER'S RESIDENCE: A Member's private clustered dwelling or multiple dwelling sharing any one or more common structural elements, located within the limits of the Real Property, are hereinafter, either singularly or collectively, called "Residence".

E. RIGHTS AND PRIVILEGES OF MEMBERS: Subject to regulations or rules from time to time adopted by the Board, Members shall be entitled to rights and privileges as follows:

(1) All individual Members and their respective families, guests and invitees shall be entitled as appropriate to enjoy or otherwise to make use of all common ground within the limits of the Real Property. The Corporation shall maintain and preserve all common ground within the limits of the Real Property as open space or for recreational area purposes with suitable landscaping including lawns, plants, shrubs, trees, walkways, and other amenities appropriate, convenient, or necessary for the general common benefit of all Members. The Corporation shall cultivate, fertilize, mow, plant, rake, replace, seed, trim, water, apply insect control and otherwise provide all required care for such lawns, plants, shrubs and trees within the common grounds.

(2) All individual 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. The Corporation shall, as directed by the Board, provide the following services for each Member, the Member's Townhome Lot and the Member's Residence:

- (a) Cultivate, fertilize, mow, rake and trim all lawns within the Member's Townhome Lot, except such lawns enclosed by private garden or patio walls;
- (b) Clear or treat all driveways and sidewalks by applying chemicals or sand thereto or remove therefrom all appreciable or hazardous accumulations of ice, mud, or snow;
- (c) Conserve and maintain appearance and materials of all Residences by recaulking and repainting exterior wood, siding, eaves, trim and fascia;
- (d) Clean gutters and wash the outside windows; and
- (e) Perform or provide related or other functions or services directed by the Board.

The Board shall determine and direct how often and what time(s) the above services shall be performed by the Corporation.

(3) All Members and their respective Townhome Lots within the limits of the Real Property 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.

(4) Except for the services and maintenance to be provided and performed by the Corporation in Section II, E, (1), (2) and (3) above, each Member shall maintain, be responsible for and preserve:

- (a) The exterior of the Member's Residence, including, but not limited to, siding (brick/wood), windows, doors, roofs, chimneys and electrical fixtures;
- (b) All patio and garden walls, gates, decks, patios, gazebos, mailboxes and private appurtenances; and
- (c) All lawns, plants, shrubs, trees, (including the watering thereof) landscaping, retaining walls, driveways and/or sidewalks within the Member's respective Townhome Lot,

in a condition and manner consistent with the character and residential quality of the other Real Property.

In the event any Member fails to perform or defaults in the performance of the above maintenance responsibilities within twenty (20) days after receipt of notice from the Board of such failure or default, the Board may perform or cause to be performed such maintenance and assess an appropriate charge to the defaulting Member for the reasonable cost of such maintenance. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charge, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of such Member's Residence.

F. DISCIPLINE AND ENFORCEMENT: Members shall be subject to disciplinary and enforcement measures as follows:

- (1) All Members shall be subject to:
 - (a) Denial, partly or wholly, of access to, benefit from, or use of all or any facilities, functions, or services;
 - (b) Suspension, partly or wholly, of all or any rights or privileges of membership; or
 - (c) Any other disciplinary action directed by the Board,

for failure to pay any dues 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:
 - (a) Institute any equitable or legal proceeding appropriate, convenient, or necessary for collection of any dues or charges or enforcement of any provision hereof, covenant or easement of concern to it; or
 - (b) Take any appropriate, convenient, or necessary remedial or other action against any Member or any Townhome Lot.

SECTION III: DIRECTORS

A. MANAGEMENT, NUMBER AND ELECTION:

(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 the Directors of the Board. The Directors shall be five in number and shall be required to be a Member or a spouse of such Member.

Except as hereinafter provided, Directors shall be elected annually by Members at each Annual Meeting from any existing Director(s), whose term has expired and seeks reelection, or any Member nominated by him/herself, or by any Member or Members not fewer than thirty (30) days before each Annual Meeting for a term of office of three (3) years. Any Director may succeed him/herself in office by vote of the Members.

- (2) The present Directors and their respective terms of office are as follows:

<u>Name</u>	<u>Start of Term and Expiration</u>
John C. Sage, M.D.	2001 Annual Meeting through 2004 Annual Meeting
William C. Truhlsen	2001 Annual Meeting through 2004 Annual Meeting
Joseph H. Carter	2002 Annual Meeting through 2005 Annual Meeting

Gail P. Frasier
Roland F. Niehaus

2002 Annual Meeting through 2005 Annual Meeting
2002 Annual Meeting through 2005 Annual 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:
 - (a) The death of such Director;
 - (b) The failure of such Director without excuse to attend any three consecutive meetings of the Board;
 - (c) The removal of such Director from office by a majority vote of the Board, either for or without cause;
 - (d) The resignation of such Director; or
 - (e) The transfer of the real property interest of the Director's Townhome Lot to any person or entity other than such Director's spouse or such Director's Living Trust.
- (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 shall be held as follows:

- (1) Annual Meetings of the Board shall be held immediately following Annual Meetings of the Members.
- (2) Regular or Special Meetings of the Board may be held upon direction of the Board or call by the President or a majority of the Directors at the operating headquarters or wherever directed by the Board.
- (3) The President or a substitute shall preside at, and the Secretary or a substitute shall record the minutes of, all meetings of the Board.
- (4) A majority of the Directors shall constitute a quorum for any meeting of the Board.
- (5) Each Director shall be entitled to cast one vote on any matter or question voted upon.
- (6) Unless otherwise required or permitted by these By-Laws, the majority vote of the Directors present in person shall decide any matter or question voted upon by the Directors. However, the President or substitute may request, and in such instance shall accept, an absent Director's vote, either by proxy or by mail, from a non-present Board member.

D. ACTION WITHOUT MEETING: The Board may, in place of holding any meeting, by unanimous written consent, dispose of , any matter or question.

E. PRESIDENT: The President of the Board 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 appurtenant to such office or from time to time directed by the Board.

F. COMMITTEES: The Board may appoint or create any standing or special committees necessary or desirable to effectively manage and operate the Corporation.

The President, with the approval of a majority of the Board, 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.

Any committee so designated shall have the powers and rights and be charged with the duties and obligations usually vested in or appurtenant to each such committee or, from time to time, as directed by the Board.

A standing committee designated as the Architectural Control Committee of the Board shall be and hereby is created. The Architectural Control Committee shall be comprised of the five Directors and such other Members as may be appointed by the Board.

The purpose of the Architectural Control Committee is to maintain the general appearance, including, but not limited to, exterior color or colors, roofing, harmony of exterior design, landscaping, appearance and location of each Residence in relation to surroundings and topography or other relevant architectural factors for the purpose of promoting the development of the Real Property and to protect the value, character and residential quality of the Real Property.

No changes in, modifications of or alterations to any Member's Townhome Lot or Residence exterior may be made by such Member without approval by the Architectural Control Committee.

In the event the Architectural Control Committee engages the services of professional architectural and any other appropriate, convenient or necessary advisors to consider any Member's request for changes in, modifications of or alterations to such Member's Townhome Lot or Residence, the Corporation may assess a charge to such Member for the reasonable costs for such services. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charge and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of the Member submitting such request.

Subject to regulations or rules from time to time adopted by the Board, the Architectural Control Committee shall consider any Member's request, preliminary plans, sketches, specifications or other provisional data for all buildings, other structures, or additions thereto,

and/or changes in, alterations to or modifications of any Member's Townhome Lot or Residence exterior that are subject to architectural approval of or control by the Corporation.

The Architectural Control Committee shall, within thirty (30) 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, structure, or any change in, alteration or modification of any Member's Townhome Lot or Residence exterior, approve or disapprove them as to harmony of external design and location in relation to surrounding 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. Any such final plans and specifications so disapproved may be revised and resubmitted for consideration.

In the absence of timely approval or disapproval of any such final plans and specifications (within thirty (30) days after receipt thereof by the Architectural Control Committee), such plans and specifications shall be deemed to be approved as received by the Architectural Control Committee. However, 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, or addition, alteration or modification of any existing building or structure.

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. 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.

SECTION IV: OFFICERS, AGENTS and EMPLOYEES

A. OFFICERS: Officers shall be appointed or elected and shall serve as officers of the Corporation, as well as officers of the Board in the same capacity, as follows:

(1) The principal officers shall be a President, a Vice President, a Secretary, and a Treasurer. The officers shall be required to be Directors and shall be elected annually by the Board at each Annual Meeting for a term of one year. Any officer may succeed himself/herself in office.

(2) The Board 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 appurtenant to such offices or such other powers and rights that are, from time to time, directed by the Board.

B. VACANCIES: The office of any principal officer shall be vacated and filled as follows:

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

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

C. AGENTS AND EMPLOYEES: The officers may from time to time appoint, discharge, engage, or remove additional agents and employees found to be appropriate, convenient, or necessary for the efficient and effective 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 authorized expenses incurred by them, and the Board may from time to time fix the wages and other compensation paid to any agent or employee of the Corporation.

SECTION V: FISCAL YEAR, BUDGET, INSURANCE, DUES and RELATED MATTERS

A. FISCAL YEAR: The fiscal year of the Corporation shall coincide with the calendar year unless otherwise directed by the Board.

B. ANNUAL BUDGET: Before each fiscal year, the Board shall adopt and fix in reasonably itemized detail an annual budget for the then anticipated fiscal affairs and general operations of the Corporation for the following fiscal year.

C. INSURANCE: Insurance coverage for each Residence shall be secured and maintained through a master policy (hereinafter called "Master Policy") or individual Member policies (hereinafter called "Individual Policy"), as directed by the Board and the proceeds thereof disposed as hereinafter provided.

For purposes of these By-Laws, insurance coverage under a Master or Individual Policy shall include the exterior and interior of the Residence, any and all structural changes therein, modifications thereof, and/or alterations thereto, and all items permanently affixed to the Residence.

The Board shall timely notify each Member, on an annual basis, as to whether the Board will secure a Master Policy insurance coverage or if each Member shall be required to secure an Individual Policy.

In determining whether a Master Policy or Individual Policy should be secured, the Board shall consider various items, including, but not limited to, the premium cost for coverage, deductibles and exclusions.

Insurance - Master Policy

In the event a Master Policy is selected by the Board, the Corporation shall procure and maintain for each Residence, 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 property insurance on the insurance industry's Broad or the Special (All Risk) Form in amounts equivalent to the full replacement cost of the Residence. In the event the Board selects Master Policy coverage, the Board shall request and each Member shall advise the Board of the replacement cost of such Member's respective Residence.

In the event any Residence of any Member sustains any damage or destruction from any peril covered by a Master Policy, such Member shall notify the Corporation, or its agent, regarding such damage or destruction and the Corporation, or its agent, shall promptly file a claim therefor. In the event the Master Policy insurance carrier accepts and honors such claim, the Corporation, or its agent, shall contract for the repair or replacement of the damaged or destroyed Residence. In the event the proceeds under the Master Policy coverage do not equal the actual replacement cost of the damages or destruction, or the Member refuses or fails to complete such repairs or replacements, the Corporation may perform, or cause to be performed, any repair or replacement not so covered and assess a charge to the Member for the reasonable cost of completing such repair or replacement. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charges, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of such Member's Residence.

All premiums and other costs of insurance under a Master Policy shall be allocated to each Member based on the percentage that the replacement cost of such Member's Residence bears to the total replacement cost of all of the Residences within the limits of the Real Property and the Board shall assess a charge against each Member for such premiums and costs based on such allocation. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charges, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of each such Member's Residence.

Insurance - Individual Policy

In the event the Board authorizes and directs the implementation of Individual Policies, each Member shall procure and maintain for such Member's respective real property interest in such Member's Residence and all of the mortgagees thereof according to their respective interests therein, one or more policies of property insurance on the Broad or the Special (All Risk) Form in amounts equivalent to the full replacement cost of the Residence.

The proceeds of each Individual Policy shall be applied, disposed of, and used by the Member to effect repairs or replacements to such Member's Residence in the event of damage or

destruction covered by such insurance. The Corporation may effect any repairs or replacements not so covered or covered but not repaired or replaced by the Member and assess a charge to a defaulting Member for the reasonable costs of such repairs or replacements. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charges, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of such Member's Residence.

Within thirty (30) days after the receipt of notice from the Corporation, or its Agent, that the Corporation had authorized and directed the implementation of a plan for Individual Policies, each Member shall furnish to the Board a Certificate of Insurance indicating insurance coverage for each Member's real property interest in such Member's respective Residence in an amount equal to the full replacement cost of the Residence.

In the event any Member shall fail to secure the Individual Policy coverage when directed by the Board to secure such coverage, the Board may, at the expense of such defaulting Member, secure coverage and assess a charge to the defaulting Member for the cost of such coverage. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charges, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of each such defaulting Member.

Insurance - General

Under either form of insurance (Master or Individual Policies) directed or authorized by the Board, the coverage shall be based on replacement cost and not depreciation.

Under either form of coverage (Master or Individual Policy), each Member shall be responsible for securing and maintaining such Member's own interior/personal contents coverage.

Liability and any other insurance (not heretofore provided for) for the common good of the Members and/or Board, including, but not limited to, Director and Officer coverage, may from time to time be procured and maintained as determined by the Board. The cost of the premiums for such insurance coverage shall be allocated by the Board against all Members on an equal basis and the Board shall assess a charge against each Member for such premiums. Such charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice for such charges, and constitutes, until paid, a continuing charge against and lien upon the Townhome Lot of such Member's Residence.

D. DUES: Dues shall be ascertained and collected as follows:

(1) Standard dues for each membership (hereinafter called "Standard Membership Dues"), presently the sum of One Hundred Thirty Dollars (\$130.00) per month for all multiple dwellings and the sum of Two Hundred Ten Dollars (\$210.00) per month for all private clustered dwellings, payable monthly, may be increased by an amount up to five percent (5%) per annum upon recommendation by the Board. Any increase over and above five percent (5%) must be by recommendation of the Board and acceptance 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. Subject to abatement from time to time permitted or required by these By-Laws, as to each Townhome Lot within the limits of the Real Property, the Standard Membership Dues 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 first day of each month following the effective date of these By-Laws. Such Standard Membership Dues shall become delinquent if not on the due date, and constitute, until paid, a continuing charge against and lien upon the Townhome Lot of each such Member's Residence.

Standard Membership Dues shall be determined and fixed annually by the Board concurrently with the annual budget and shall be a sum for each such Townhome Lot consistent with or required by the annual budget.

(2) Extra dues for each membership (hereinafter called "Extra Membership Dues") to finance any general capital improvements or meet extraordinary general expenses of the Corporation may be assessed up to Two Hundred Dollars (\$200.00) for any fiscal year upon recommendation of the Board. Any such Extra Membership Dues may be increased, in any amount, over Two Hundred Dollars (\$200.00) per year upon recommendation of the Board and acceptance 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. As to each Townhome Lot within the limits of the Real Property, such Extra Membership Dues 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 and shall become delinquent if not paid within thirty (30) days after receipt of notice of such Extra Membership Dues, and constitute, until paid, a continuing charge against and lien upon such Townhome Lot.

E. INDIVIDUAL SERVICES OR BENEFITS: Extra charges (hereinafter called "Extra Charge") to meet partly or wholly the cost of insurance, the cost of any facility operated or the cost of any material or service provided by the Corporation for the particular benefit of or with special reference to any Townhome Lot within the limits of the 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, material or service for such Townhome Lot or for such Member. Subject to regulations and rules from time to time adopted by the Board 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, an Extra Charge which shall be determined and fixed from time to time by the Board in addition to the Standard Membership Dues. Such Extra Charge shall become delinquent if not paid within thirty (30) days after receipt by the Member of the notice of such Extra Charge, and constitutes, until paid, a continuing charge against and lien upon such Townhome Lot

F. APPORTIONMENT AND ABATEMENT: For reasonable cause, the Board 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 charge. Additionally, the Board 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. INTEREST: All delinquent charges and dues referred through these By-Laws shall bear interest, until paid, at the maximum rate allowed under Nebraska Law.

H. 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.

(2) All checks, drafts, or other orders upon the Corporation shall be signed by the Treasurer or anyone or more other officers, agents, or employees directed by the Board.

(3) The President or anyone or more other officers directed by the Board may negotiate and consummate for the Corporation all arrangements appropriate, convenient, or necessary for any loan to it.

I. 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 less than the total sum of Ten Thousand Dollars (\$10,000.00) for any fiscal year may be undertaken upon recommendation of the Board. Any such capital improvement, or extraordinary expense exceeding Ten Thousand Dollars (\$10,000.00) for any fiscal year, may be undertaken only upon recommendation of the Board and acceptance 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 and acceptance 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.

J. INDEMNIFICATION: To the extent permitted by Nebraska law, 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 VI: DELEGATION OF MANAGEMENT

The Board may 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. The Board may likewise delegate general authority, power and responsibility for maintenance of the books and records of the Corporation.

SECTION VII: BOOKS, RECORDS and REPORTS

The books and records of the Corporation shall be maintained at the registered office or wherever directed by the Board, and the officers shall at each Annual Meeting of the Members and when otherwise called for at any meeting of the Board present a clear and full report of the affairs and condition of the Corporation.

SECTION VIII: NOTICES and STATEMENTS

A. NOTICES: All notices and any and all other correspondence to Members shall be given by mail, sent to the address of such Member as last recorded with the Board or its agent.

All official notices sent by the Corporation to the Members, including, but not limited to, matters concerning insurance, voting, dues, charges, architectural modifications, disciplinary actions, or all recommendations of the Board on any matter or question required herein to be submitted to the vote of the Members shall be sent by U.S. Postal Service Certified or Registered Mail. For purposes of these By-Laws, the receipt of such notices to the Members shall be construed to be three (3) days after the Corporation, or its agent, deposits such official notice with the U.S. Postal Service.

B. NOTICE OF MEETING OF MEMBERS: Not less than twenty (20) nor more than thirty (30) days next preceding any Annual or Special Meeting of the Members, each Member shall be given a written notice by mail of the time, place and general purpose of each such meeting and of the name of each nominee, if any, for the office of Director.

C. STATEMENT OF DUES, CHARGES, OR OTHER MATTERS: Not less than twenty (20) nor more than thirty (30) days next preceding the day for action thereon or response thereto by any Member, each such Member therewith concerned shall be given by mail a written notice or statement of any dues or charges, disciplinary action, recommendation of the Board to amend the Articles of Incorporation or these By-Laws, to extend, modify, or terminate all or any part of the Declaration applicable to the Real Property, 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.

D. NOTICE FOR MEETING OF DIRECTORS: Not less than three (3) nor more than thirty (30) days next preceding any Annual or Special Meeting of the Board, 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.

E. 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 IX: 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 X: ADOPTION, AMENDMENT and DECLARATION

A. ADOPTION OF BY-LAWS: These By-Laws shall take effect forthwith upon adoption by the Board and acceptance 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.

B. DECLARATION: Pursuant to Paragraph 1b of the original Declarations applicable to all Real Property included in membership, such original Declarations having been filed for record on July 30, 1971, in Book 502, Pages 7-21, of the Miscellaneous Records of the Register of Deeds of Douglas County, Nebraska, the Board 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 and acceptance 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 to thereon taken by mail.

C. AMENDMENT OF ARTICLES OF INCORPORATION, DECLARATIONS AND BY-LAWS: The Articles of Incorporation, Declarations and these By-Laws may be amended as follows:

(1) All or any part of the Articles of Incorporation, Declarations or these By-Laws may from time to time be altered, amended or revoked upon recommendation of the Board and acceptance by 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; or

(2) All or any part of the Articles of Incorporation, Declarations 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.