BY-LAWS
Of
VILLAGE GREEN TOWNEHOUSES, INC

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ARTICLE I. NAME AND LOCATION OF CORPORATION

Section 1. The name of this Corporation is Village Green Townehouses, Inc. and its principal Office is located at 228 Bancroft Plaza, Omaha, NE 68108.

ARTICLE II. PURPOSE

Section 1. The purpose of this Corporation is to provide its members with housing and community facilities, if any, on a nonprofit basis consistent with the provisions set forth in its Articles of Incorporation.

ARTICLE III. MEMBERSHIP

Section 1. Eligibility. Any person approved by the Board of Directors shall be eligible for membership, provided that he or she executes a Subscription Agreement and Occupancy Agreement in the usual form employed by the Corporation covering a specific unit in the housing complex.

Section 1(a):
Any legally formed entity in the United States and duly registered with the Nebraska Secretary of State's office to legally conduct business in the State of Nebraska may obtain a membership, provided that any such entity can only obtain membership after foreclosing or otherwise legally obtaining right, title and interest in any member's membership interests due to that member's non-payment of any financial obligation secured by that member's membership interest and further only after any such entity executes an Occupancy Agreement and any other documents that may be required by these by-laws. Any such entity shall not be eligible to hold any director or officer position.

Section 2. Application for Membership Application for membership shall be presented in person on a form prescribed by the Board of Directors, and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Members, authorized Memberships, and Occupancy Agreements

(a) The members shall consist of the individuals comprising the first Board of Directors, as identified in the Articles of Incorporation, or their successors and such subscribers as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates. The status of the Directors named in the Articles of Incorporation (or their successors elected by them) as members shall terminate at the first annual membership meeting, unless they have executed Subscription Agreements and Occupancy Agreements.

(b) The authorized membership of the Corporation shall consist of 190 memberships, all of one class, with a par value of $100 each.

(c) The Corporation will offer Occupancy Agreements on the dwellings in the housing project, which Occupancy Agreements shall be in two classes. The downpayment under the Occupancy Agreement (which downpayment is hereinafter sometimes referred to as "Value of Occupancy Agreement") shall be in the amount established by the Corporation to be paid by the first occupant of the unit involved as shown on the books of the Corporation.

Section 4. Membership Certificates. Each membership certificate shall state that the Corporation is organized under the laws of the State of Nebraska, the name of the registered holder of the membership represented thereby, the Corporation lien rights as against such membership as set forth in this Article, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President or Vice President, and the Secretary or Assistant Secretary, and shall be sealed with the corporate seal.

Section 5. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the certificate to be lost of destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost of destroyed certificates, or his/her legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 6. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatever, including any sums due under any occupancy agreements.

Section 7. Transfer of Membership. Except as provided herein, membership shall not be transferable and, in any event, no transfer of membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the members.

(a) Death of Member. If, upon death of a member, his/her membership in the Corporation passes by will or intestate distribution to a member of his/her immediate family, such legatee or distribute may, by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the Corporation. If member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the Corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member.

(b) Option of Corporation to Purchase. If the member desires to leave the Corporation, or has defaulted under any financial obligation secured by the membership or has received notice of any such default or alleged default by any financial institution or entity who maintains a secured interest in the member's membership, he/she shall notify the Corporation in writing of such intention, default or notice of default, and the Corporation shall have an option for a period of thirty (30) days thereafter, but not the obligation to purchase the membership, together with all the member's rights with respect to the dwelling unit, at an amount to be determined by the Corporation as representing the transfer value thereof, less any amounts due by the member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant. The purchase by the Corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises.

(c) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives in writing its right to purchase the membership under the foregoing option, or if the Corporation fails to exercise such option within the thirty (30) day period, the member may sell his/her membership to any person who has been duly approved by the Corporation as a member and occupant. If the Corporation agrees, at the request of the member, to assist the member in finding a purchaser, the Corporation shall be entitled to charge the member a fee it deems reasonable for this service. When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring member shall be released of his/her obligations under his/her Occupancy Agreement, provided he/she has paid all amounts due the Corporation to date.

Section (c) (1) Foreclosure. In the event the Corporation elects not to purchase a member's membership upon default of a financial obligation secured by the membership or notice of a default or notice alleged default of a financial obligation secured by the membership, any such financial institution may obtain the defaulting member's membership interest upon proof of an Order from a Court of competent jurisdiction awarding the financial institution the right to take possession of the membership and all applicable rights. Any such transfer of a membership through

foreclosure, shall not entitle the foreclosing entity any membership rights until said entity has been approved for membership and has exercised an applicable Occupancy Agreement

(d) Transfer Value: Whenever the Board of Directors elects to purchase a membership, the term "transfer value" shall mean the sum of the following:

(1) The consideration (i.e. downpayment) paid for the membership by the first occupant of the unit involved as shown on the books of the Corporation; plus
(2) The value of the Occupancy Agreement; plus
(3) The value, as determined by the Directors, of any improvements installed at the expense of the member with the prior approval of the Directors, under a valuation formula which does not provide for reimbursement in an amount in excess of the typical initial cost of the improvements; plus
(4) The value equal to the "market value" of the unit, not including improvements, which is determined by taking the average of the selling price for like sized units over the past 12 month period:

Section 8. Termination of Membership for Cause. In the event the Corporation has terminated the rights of a member under the Occupancy Agreement, the member shall be required to deliver promptly to the Corporation his/her membership certificate and his/her Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said membership at its transfer value (as hereinabove defined) or the amount the retiring member originally paid for the acquisition of his membership certificate, whichever is the lesser, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser, and at a sales price acceptable to the Corporation. The retiring member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive):

(a) any amounts due to the Corporation from the member under the Occupancy Agreement;

(b) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; and

(c) legal and other expenses incurred by the Corporation in connection with the default of such member and the resale of his/her membership. In the event the retiring member for any reason should fail for a period of 10 days after demand to deliver to the Corporation his/her endorsed membership certificate, said membership certificate shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new purchaser

Section 9. Sales Price. Memberships may be sold by the Corporation or by the member only to a person approved by the Board of Directors. Where the sale is accomplished by a member, a certificate in form approved by the Corporation as to the price paid shall be executed by the seller and purchaser and delivered to the

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. An annual meeting of the Corporation shall be held each year in September or October or such other date as may be established by resolution of the Board of Directors. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the

requirements of Section 3 of Article V of these By-Laws. The members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20) percent of the members having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his/her address as it appears on the membership book of the Corporation, at least ten (10) but not more than fifty (50) days prior to such meeting. Notification may also be accomplished by the delivery of any such notice to the member at his dwelling unit, or by publication in the Village Green Gazette and publication on the Village Green web site. Notice by any of these methods shall be considered as notice served.

Section 5. Quorum. The presence of at least twenty (20%) of the members of record of the Corporation shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings: If any meeting of members cannot be organized because a quorum has not attended, or a meeting has been ended because the number of members at said meeting has dropped below a quorum, the members who are present may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten (10) percent.

Section 7. Voting. At every meeting of the regular members, each member shall have the right to cast one vote per household on each question, either in person or by absentee ballot, and never more than one vote per household. The vote of the majority of those present, in person or by absentee ballot, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than 30 days delinquent in payments due the Corporation under his Occupancy Agreement.

Section 8. Absentee Voting. Any member may vote, by absentee ballot, on any issue brought before the Corporation at the annual meeting or at any special meeting called by the members or the Board of Directors provided, however, that the absentee ballot must be delivered to the Village Green Office not more than 15 days but at least 24 hours prior to the start of the annual or special meeting. In no case may a member cast more than one absentee vote on any issue and the absentee vote will count as the one vote allowed per household referred to in Section 7 of this article.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

(a) Roll Call.
(b) Proof of notice of meeting or waiver of notice.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers.
(e) Reports of committees.
(f) Report of manager or managing agent.
(g) Election of inspectors of election.
(h) Election of directors.
(i) Unfinished business.

(j) New business

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

ARTICLE V. DIRECTORS

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by a Board of Directors composed of seven (7) persons, all of whom shall be members of the Corporation.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited:

(a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing complex, either direct or through an authorized representative;
(b) To establish monthly carrying charges as provided for in the Occupancy Agreement based on an operating budget formally adopted by such Board;
(c) To engage an agent or employees for the management of the project under such terms as the Board may determine;
(d) To authorize in their discretion patronage refunds from residual receipts when and as reflected in the annual report;
(e) To terminate membership and occupancy rights for cause;
(f) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws and the Articles of Incorporation.

Section 3. Election and Term of Office. The terms of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting or any special meeting called for that purpose. At the first annual meeting of the members the term of office of two Directors shall be fixed for three (3) years. The term of office of two Directors shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his/her successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason shall be filled from the list of members who ran for the Board of Directors at the prior annual meeting but were not elected. First choice to fill the vacancy will be the member who received the highest number of votes but was not elected to the Board. If that member does not agree to serve on the Board, the member receiving the next highest votes, who was not elected to the Board, shall be selected. This selection process shall be followed until the entire list of candidates who did not get elected at the prior annual meeting is exhausted. Once this list is exhausted or, if no one from this list agrees to serve on the Board, the Board may select a candidate from the entire membership of record who meets the qualifications of Section 7 Article IV and Section 1 Article V and elect this member to the Board by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; each person appointed or elected shall be a Director and shall serve out the remainder of the unexpired term for which such Director was appointed or elected until a successor is elected by the members at an annual meeting.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director elected by the members may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor elected in accordance with the provisions of Section 4 of this Article. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more that 30 days delinquent in payment of his/her carrying charges shall be automatically terminated and the remaining Directors shall elect his/her successor as provided in Section 4 of this Article. Any director who misses three Board meetings in one calendar year without prior approval of the President of the Board and without a valid excuse shall be

removed from the Board and another person elected to the position in accordance with the provisions of Section 4 of this Article. A valid excuse is defined as death in the family, illness, vacation, on-call employees being called to work by employer and school conflict.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to any Director for services performed for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall be unanimously adopted by the Board of Directors before the services are undertaken.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, Village Green Gazette or E-mail, at least three (3) days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone, Village Green Gazette or E-mail, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Where all of the Directors unanimously approve and sign a corporate resolution or authorization (which is to be included in the minute book), this shall be recognized as proper corporate action taken at a duly authorized meeting, without proceeding under the provisions hereof that would otherwise be applicable for calling and holding Directors meetings.

Section 10. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, no business may be conducted.

Section 11. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds.. The premium on such bonds shall be paid by the Corporation.

ARTICLE VI. OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint assistant treasurers and assistant secretaries, and such other officers as in their judgment may be necessary, however, all such appointees must also be elected Board members.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3. Realignment of Officers. The Board may realign the duties of the officers of the Corporation upon an affirmative vote of a majority of the members of the Board of Directors during the open session of any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He/she shall preside at all meetings of the members and of the Board of Directors. He/she shall have all the general powers and duties which are usually vested in the office of president of a corporation, including but not

limited to the power to appoint committees from among the membership from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation. He/she shall have the custody of the seal of the Corporation, have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He/she shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositaries as may from time to time be designated by the Board of Directors.

ARTICLE VII. AMENDMENTS

These By-Laws may be amended by the affirmative vote of the majority of the entire regular membership of record at any regular or special meeting. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20) percent of the members. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE VIII. CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE IX. FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of September of each year.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts. That amount of the carrying charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In-Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant. The Corporation will make the audit report available for inspection by any member at reasonable times in the principal office of the Corporation. The Corporation will also supply the members, as soon as practicable after the end of each calendar year, with a statement showing each member's pro rata share of the real estate taxes and mortgage interest paid by the corporation during the preceding calendar year.

Section 4. Inspection of Books. Financial reports and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any member.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the Corporation by any officer of the Corporation, and all checks shall be executed on behalf of the corporation by person (persons) designated from time to time by the Board of Directors

Section 6. Association with Other Cooperatives. The Corporation may become a member of an association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing housing for consumers.

Original modification approved at annual meeting of the Membership on Oct. 4, 2008 – Modified to eliminate references to HUD.

Next modification approved by Membership on October 2, 2010 to add Section 1(a), modify Section 7 (b) and add Section 7 (c) 1 to add language to allow Village Green to pursue membership in Northcountry Cooperative Development fund..

Modification approved by the Membership on October 13, 2012 to modify Article V, Section 4 to specify that a member appointed to fill the term of a departed Director will serve until the end of the term of the departed director.