

BY-LAWS

OF

NELSON'S CREEK HOMEOWNERS ASSOCIATION

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ARTICLE I.

Section 1. Membership. All owners of property in Nelson's Creek, a subdivision in Douglas County, Nebraska, as more fully described in the Covenant and Declaration pertaining to same as set out and recorded in Book 1361 Page 73-81 of Miscellaneous Records of the Register of Deeds, Douglas County, Nebraska, and all subsequent owners of said property shall be members of this Association. It is intended to add owners of Nelson's Creek Subdivision lots as same are platted and recorded, although in different phases.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to all of the property set out in Section 1 above, and to the common betterment of all of said property.

Section 3. Application. All present and future owners, long term lessees, shall all be subject to these By-Laws, and to the Association.

Section 4. Office. The office of the Association and of the Board of Directors shall be located at Suite 6, 212 South 108th Avenue, Omaha, Nebraska.

ARTICLE II.

Board of Directors

Section 1. Number and Qualification. The Board of Directors shall be composed of not less than three nor more than six members as shall be provided by the owners at their regular annual meeting. All such members shall be owners or spouses of owners, or in the case of partnership owners, members or employees of such partnership, or in the case of corporate owners, officers, stockholders or employees of such corporation, or in the case of fiduciary owners, fiduciaries or officers or employees of such fiduciary. Any Board member who ceases to be associated in one of the enumerated capacities with the owner that selected him shall be deemed to have resigned as of the date upon which such association terminates, and shall be replaced by selection of a substitute designated by a Board of Directors.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration

of the affairs of the Association and may do all such acts and things except as by law or by the Articles of Incorporation or by these By-Laws may not be delegated to the Board of Directors by the owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) the care, upkeep and maintenance of public facilities, whether streets, medians or similar property.
- (b) To plant trees, shrubs, grass and otherwise beautify streets, medians or similar property.
- (c) To clean streets and other public property in the area including the removal of snow.
- (d) To enter into contracts with public authorities as may be necessary to do each of the foregoing set out in (a), (b), (c).
- (e) Determination of the common expenses required for the affairs of the Association.
- (f) Collection of the common charges from the owners.
- (g) Employment and dismissal of the personnel necessary for the maintenance and operation of the Association.
- (h) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (i) Obtaining insurance for the Association to cover the operations of the Association.
- (j) Taking all other necessary and proper actions for the sound management of the Association and fulfillment of the purposes of the Property Owners Association.

Section 3. Designation and Term of Office. At each annual meeting of the owners, the owners shall designate the members of the Board of Directors. The members of the Board of Directors shall hold office for a term of two years and until their respective successors have been designated, provided, however, that a Board member shall be deemed to have resigned whenever such member, his spouse, or firm, corporation, or other entity he is associated with, sells the land which qualified such individual to become a member of the Board of Directors.

Section 4. Removal of Members of the Board of Directors. At any regular or special meeting of owners, any one or more of the members of the Board of Directors may be removed for cause by a majority of the owners and a successor may then and there or thereafter be designated by the owners.

Section 5. Vacancies. Any vacancy in the Board of Directors shall be filled by the Board of Directors in a special meeting called for said purpose. The person so designated shall serve on the Board of Directors until his successor shall have been designated at the next annual meeting of the owners.

Section 6. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the owners at the meeting at which such Board of Directors shall have been designated by the owners, and no notice shall be necessary to the newly designated members of the Board of Directors in order legally to constitute such meeting, providing a quorum, as that term is defined in Article II, Section 2 of these By-Laws, of the Board of Directors shall be present thereat.

Section 7. Regular Meeting. 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 members of the Board of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telegraph, at least three (3) business 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 two (2) business days notice to each member of the Board of Directors, given by mail or telegraph, which notice shall state the time, place 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 any member of the Board of Directors.

Section 9. Waiver of Notice. Any member of the Board of Directors may, at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Voting. Each member of the Board of Directors shall be entitled to cast one vote at all meetings of the Board of Directors without regard to the property he may personally own or represent.

Section 11. Quorum of Board of Directors. A quorum of the Board of Directors shall be $66 \frac{2}{3}\%$ of the total number of directors and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors may obtain fidelity bonds for all officers and employees of the Association and its managing agent, if any, handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as such.

Section 14. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the owners for any mistake or judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by the Board of Directors nor any liability arising out of the aforesaid indemnity in favor of the members of the Board of Directors which shall be limited to such proportion of the total liability thereunder as his interest in his own property bears to the interest of all the owners in the Association. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agents for the owners and shall have no personal liability thereunder (except as owners), and that each owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in his own property bears to the interest of all the owners in the Association.

ARTICLE III.

Members

Section 1. Annual Meeting. The annual meeting of the member owners shall be held on the second day of April of each year, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the succeeding Monday. At such meetings, the Board of Directors shall be designated by the member owners in accordance with the requirements of Section 3 of Article II of these By-Laws. The owner members may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting. Meeting of the owner members shall be held at the principal office of the Association or at such other suitable place convenient to the member owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the owner members if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of owner members. 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.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual meeting, other than the first annual meeting, and each special meeting of the owner members, at least ten but not more than twenty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner member of record, at the Building or at such other address as such owner member shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of owner members cannot be held because a quorum is not present, a majority in common interest of the owner members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the owner members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.

- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Designation of new members of the Board of Directors (when so required).
- (h) Unfinished business.
- (i) New business.

Section 7. Voting. The owner or owners of each lot or parcel, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such lot or parcel at all meetings of the owner members. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the owner members and (those constituting a group acting unanimously), may vote or take any other action as an owner member either in person or by proxy. The total number of votes of all owner members shall be one for each platted lot, and each owner member shall be entitled to cast that number of votes at all meetings of the owner member. A fiduciary shall be the voting member with respect to any lot owned in a fiduciary capacity.

Section 8. Majority of Owner Members. As used in these By-Laws, the term "Majority of Owner Members" shall mean those owners having more than 50% of the total authorized votes of all owners present in person or by proxy and voting at any meeting of the owner members, determined in accordance with the provisions of Section 7 of this Article.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of owner members having one-half of the total authorized votes of all owner members shall constitute a quorum at all meetings of the owner members.

Section 10. Majority Vote. The vote of a majority of owner members at a meeting at which a quorum shall be present shall be binding upon all owner members for all purposes except where in these By-Laws or by law, a higher percentage vote is required.

ARTICLE IV.

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors.

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

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the owner members and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president, including but not limited to the power to appoint committees from among the owner members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his 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 of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the owner members and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by an two officers of the Association or by such other person or persons as may be designated by the Board of Directors. (One of the aforesaid two officers must be the President or Vice President.)

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V.

Operation of the Association

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges payable by the owner members to meet the common expenses of the Association, and allocate and assess such common charges among the owner members according to their respective common interests. The common expenses shall include, among other things, the cost of street cleaning, snow removal, landscaping, and the maintenance of the green areas in the medians, and portions of the right-of-way within the area of Nelson's Creek, and the approaches thereto. The common expenses may also include the cost of all insurance premiums on either liability insurance or fidelity insurance and such amounts as the Board of Directors may deem proper for the operation and maintenance of the Association, including, without limitation, for the payment of accounting, counsel, or other professional or service fees, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year.

The Board of Directors shall advise all owner members, promptly, in writing, of the common charges payable by each of them respectively as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all owner members.

Section 2. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) any necessary liability insurance for possible liability arising from the operation of the Association; (2) workmen's compensation insurance; and (3) such other insurance as the Board of Directors may determine. All such policies shall provide that the adjustment of loss shall be made by the Board of Directors. Any payment on said policy shall be payable to the Association.

Section 3. Payment of Common Charges. All owner members shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Directors shall determine.

Section 4. Collection of Assessments. The Board of Directors shall assess common charges against the owner members from time to time and at least annually and shall take prompt action to collect any common charge due from any owner member which remains unpaid for more than 30 days from the due date for payment thereof.

Section 5. Default in Payment of Common Charges. In the event of default by any owner member in paying to the Board of Directors the common charges as determined by the Board of Directors, such owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such owner member, or by foreclosure of the lien.

Section 6. Statement of Common Charges. The Board of Directors shall promptly provide any owner member so requesting the same in writing, with a written statement of all unpaid common charges due from such owner member.

Section 7. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors it shall become necessary to make an expenditure in excess of \$2,000.00, and such item has not been made a part of the regular budget for the Association, said amount shall not be

expended without a special meeting and approval of the owner members.

ARTICLE VI.

Section 1. Notice of Default. The Board of Directors, when giving notice to an owner member of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such lot whose name and address has theretofore been furnished to the Board of Directors.

Section 2. Examination of Books. Each owner member and each mortgagee of a lot shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

ARTICLE VII.

Records

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the owner members, and financial records and books of account of the Association, as well as a separate account for each lot which, among other things, shall contain the amount of each assessment of common charges against such lot, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all owner members at least annually. In addition, an annual report of the receipts and expenditures of the Association, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all owner members and to all mortgagees of lots who have requested the same, within four months after the end of each fiscal year.

ARTICLE VIII.

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Directors c/o the managing agent, or if there be no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all owner members and to all mortgagees of lots. All notice to any owner member shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the

Board of Directors. All notices to mortgagees shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE IX.

Amendments to By-Laws

Section 1. Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all owner members at a meeting of owner members duly held for such purpose.

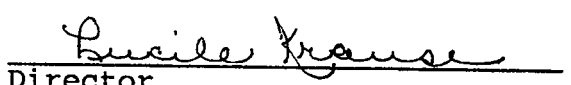
These By-Laws accepted this 30th day of April, 1986.



Director



Director



Director