

By-Laws

THE LINDENS TOWNHOME OWNERS ASSOCIATION, INC. A Nebraska Nonprofit Corporation

ARTICLE I.

The name of this corporation is The Lindens Townhome Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at 2757 Harney Street, Omaha, Nebraska 68131, but meetings of members and of Directors may be held at such places within or without the State of Nebraska as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. "Association" shall mean and refer to The Lindens Townhome Owners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to:

- (a) The record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation or as an encumbrance upon the interest of the beneficial owner, and
- (b) The purchaser, whether one or more persons or entities, under a recorded contract for the sale and purchase of a Lot, under which the Seller retains title solely as security for the performance of the purchaser's obligation under the contract.

Section 3. "Properties" shall mean and refer to all of Lots 1 through 30, inclusive, of The Lindens, a Replat of Lot 123 Linden Park, a Subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded.

Section 4. "Lot" shall mean and refer to any one of the numbered Lots 1 through 30, inclusive, in The Lindens, a Replat of Lot 123 Linden Park, a Subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded.

Section 5. "Improved Lot" shall mean and refer to any Lot included with the Properties, upon which shall be erected a dwelling, the construction of which shall be at least 80% completed, according to the plans and specifications for construction of said dwelling. All other Lots, which shall be vacant or upon which shall be erected a dwelling, the construction of which shall be less than 80% completed, according to the plans and specifications for construction of said dwelling, shall be defined as "Unimproved Lots".

Section 6. "Declarant" shall mean and refer to all persons and entities signing this ^{document} its successors and assigns.

Section 7. "Declaration" shall mean and refer to the "Declaration of Covenants, Conditions and Restrictions" applicable to the Properties, as recorded in the office of the Register of Deeds of Douglas County, Nebraska.

Section 8. "Member" shall mean and refer to those persons and/or entities entitled to membership as provided in the Declaration.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting shall be held within one year after the real estate closing date of the first unit sold. The members shall receive a written notice of at least 10 days prior to the meeting, but not more than 50 days in advance. Each subsequent regular annual meeting of the members shall be held on the date each year, no later than one year from the previous annual meeting, on a date to be determined by the vote of the members at the preceding annual meeting. Written notice of each annual regular meeting shall be given at least 10 days prior, but not more than 50 days in advance.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or the Vice President, or by a majority of the Board of Directors, and shall be called by the Secretary of the Association upon receipt by such Secretary of a written request signed by members of the Association owning at least two-thirds (2/3) of the Lots in the Properties.

Section 3. Notice of Meetings. Written notice of special meetings shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such Notice, postage prepaid, at least ten (10) days, but not more than fifty (50) days, in advance of any such special meetings to each member entitled to vote thereat, addressed to such member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of such Notice. Such Notice shall specify the place, day and hour of the meeting and the purpose of the meeting. Notice of any meeting may be waived either before or after the meeting.

Section 4. Quorum and Proxies. In order to ensure that a quorum is present for all meetings of the members, and to allow for orderly management of the Association's affairs, each lot owner, upon purchase of a lot, shall execute and deliver to the Association a continuing proxy prepared by the Association. This continuing proxy shall operate in lieu of the actual attendance at

the meeting by the specific member and shall be void if the member personally attends that meeting to exercise the member's right to vote. A lot owner may provide a superseding proxy to be voted by his duly authorized attorney in fact for one specific meeting only.

The continuing proxy shall be voted by the President or Vice President of the Association in his or her discretion at any meeting. It is noted that Nebraska law requires that members holding 1/10th of the votes entitled to be cast represented in person or by proxy shall constitute a quorum. The continuing proxy shall provide on its face that it is valid on a continuous basis for an indefinite period of time until revoked in writing by the specific lot owner. All proxies shall be in writing and filed with the Secretary of the Association. Each proxy shall be revocable and shall automatically cease when the member giving such proxy shall cease to be an owner of a lot or at such earlier time as shall be specified in the proxy. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy that it operate as a continuing proxy designed to ensure a quorum at all meetings.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) directors, with the number of Directors to be set initially by the Articles of Incorporation of this Association, and from and after the time of the first meeting of members, by vote of the members at the annual members' meeting.

Section 2. Term of Office. Directors shall be elected for a term of one (1) year, and shall hold office until their successors shall be elected and qualified. At each annual meeting the members shall elect Directors for the coming year.

Section 3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the votes cast by the members of the Association at any meeting called for such purpose. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No Director shall receive compensation for any services rendered to the Association in his capacity as a board member. However, any Director may be reimbursed for actual expenses incurred in the performance of official duties or be employed by the Association to perform any budgeted service(s).

Section 5. Informal Action by Directors. The Directors shall have the right to take any action in the absence of a meeting which could have been taken at a meeting by obtaining the written consent of a majority of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Director as Employee. Nothing herein contained shall prevent a Director from also being an employee of the Association or being employed by the Association to perform any budgeted service(s).

Section 7. Quorum. A majority of the Directors shall constitute a quorum at any meeting of the Directors; but in no event shall a quorum consist of less than one-half (1/2) of the number of directors so fixed or stated in the Articles of Incorporation. Any action taken by a majority vote of the Directors present at any such meeting which has a quorum shall constitute an official act of the Board of Directors.

Section 8. Election. Election to the Board of Directors shall be by secret written ballot. Candidates shall be nominated by a nominating committee which shall be composed of the existing Board of Directors, the existing officers, and any interested member. The nominating committee shall meet sixty (60) days prior to the annual meeting of the Board of Directors to select nominees for the Board of Directors election and send to all owners the list of nominees at least thirty (30) days prior to the annual Board of Directors meeting. Write in candidacy and election are authorized. Cumulative voting is not permitted. Each member voting may cast as many votes as such member shall be entitled to exercise under the provisions of the Declarations of Covenants, Restrictions, and Conditions, for each Director to be elected. Persons receiving the largest number of votes shall be elected.

ARTICLE V. DIRECTORS' MEETINGS

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall immediately follow the annual meeting of the members at which such Directors shall be elected. No notice of such annual meeting shall be required.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President, or by a majority of such Directors, upon three (3) days prior notice of the meeting given personally, by mail, or by telephone. Notice of any meeting may be waived either before or after the meeting.

Section 3. Regular Meetings. Quarterly meetings of the Board of Directors shall be required in addition to the annual meeting following the annual meeting of the members..

ARTICLE VI.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have, in addition to those powers under Nebraska law, the power to:

- (a) Adopt and publish rules and regulations governing the personal conduct of the members and their guests and invitees, and to establish penalties for the infraction thereof;
- (b) Suspend any member's voting rights and right to receive association benefits during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration of Covenants, Restrictions and Conditions; and
- (d) Employ a manager, an independent contractor, and such other employees and agents, which individual or Entity may also be a member of the Board of Directors, as the Board may deem necessary, and to prescribe their duties and set their compensation.

Section 2. Duties. It shall be the duty, in addition to those duties under Nebraska law, of the Board of Directors to:

- (a) Cause to be kept a complete record of all of its acts and of the corporate affairs at the registered office and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class "A" members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the Association; and see that their duties are properly performed;

(c) As more fully provided in the Declaration of Covenants, Restrictions and Conditions, to:

(1) Fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) Commence collection activities against any lot or owner for unpaid assessments more than 30 days delinquent. If less severe collection procedures do not compel the payment of the delinquent assessments, the Board shall foreclose the lien against any lot charged with the assessment or shall bring an action against the owner personally obligated for the assessment, as in the discretion of the Board is most effective and expedient.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of the issuance of any such certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on the property owned by the Association and errors and omissions insurance, and liability insurance for the Board of Directors. *+ any employees*

(f) Cause all officers and employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

(g) Perform any other acts necessary to carry out the obligations of the Association, including maintenance of the exterior of residences on Lots in the Properties;

(h) Keep a record of the names and addresses of the members entitled to vote.

(i) All committees shall be chaired by a member of the Board of Directors.

ARTICLE VII.
OFFICERS AND THEIR DUTIES

Section 1. Officers. The Officers of this Association shall include a President, a Vice-President, a Secretary, Treasurer, and such other officers as may be elected in accordance with the provisions of this Article, and appointed by the Board of Directors as it shall deem appropriate.

Section 2. Election of Officers. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors.

Section 3. Term. Each officer of this Association shall be elected to hold office for a term of one (1) year or until such officer's successor shall have been elected and qualified, except as to the first elected officers.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board, or to the President or to the Secretary of the Association. Such resignation shall take effect upon delivery thereof, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation or removal shall be without prejudice to the contract rights, if any, of the officer so removed, nor shall such resignation or removal adversely affect the officer's membership on the Board of Directors.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. Any officer appointed to fill such vacancy shall serve for the remainder of the term of the officer replaced.

Section 6. Multiple Offices. Any person may hold two (2) or more offices, provided, however, that no person shall at the same time hold the offices of President and Secretary, or President and Vice-President.

Section 7. Duties of Officers:

- (a) The President shall perform all duties as may be prescribed by the Board of Directors, and shall preside at all meetings of the members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the corporation as authorized by the Board of Directors.

- (b) The Vice-President shall act in place of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.
- (c) The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board of Directors and of the members; shall be custodian of the corporate records and keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the members; shall keep current records showing the members of the Association together with their addresses; and shall perform such other duties as may be required of him by the Board of Directors.
- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association, along with any other person designated to sign the same by the Board of Directors; shall keep proper books of account; shall prepare an annual budget, and a statement of income and expenditures of the Association; and shall perform such other duties as may be required by the Board of Directors. The Treasurer shall also ensure that the books of the Association are reviewed annually by a certified public accountant for tax return purposes and compliance with all applicable state revenue statutes.

ARTICLE VIII.
COMMITTEES

The Board of Directors by majority vote, may designate and appoint one or more committees to provide assistance to the Board of Directors in carrying out the purposes of the Association. The Board shall appoint an architectural control committee, as provided in the Declarations. No committee, however, shall operate to relieve the Board of any responsibility imposed upon it by law, nor have and exercise the authority of the Board of Directors in the management of the corporation. Each committee shall consist of two or more directors.

These committees are as follows:

- (a) Architectural control: to enforce all published rules and regulations of the Association and to insure compliance with the Declarations of Covenants, Conditions, and Restrictions and the By-Laws.
- (b) Nomination: to select and nominate appropriate and suitable candidates for the Board of Directors.
- (c) Budget: to prepare an annual budget and review the previous years budget and to review expenditures.
- (d) Maintenance: to monitor and follow-through with the lawn care, sprinkler system, all landscaping matters, and snow removal.
- (e) Insurance: to review on a yearly basis the master insurance policy, the errors and omissions policy, the liability policy and the casualty and extended coverage policy on a yearly basis and to solicit bids on a yearly basis for each policy.
- (f) Social: to schedule Association activities and the Annual Meeting.
- (g) Safety and Grievance: to review, receive and channel to the proper authorities all inquiries concerning the general operation of the Association.

ARTICLE IX.
BOOKS AND RECORDS

The books, records of account and minutes of the proceedings of its members, Board of Directors and committees having the authority of the Board of Directors and papers of the Association shall be kept and retained at all times, during reasonable business hours, subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X.
INSURANCE

Section 1. The Association shall purchase and provide physical property coverage insurance with respect to the improvements (residential structures and related structures) in an amount equal to at least ninety percent (90%) of the full replacement value of the original improvements against losses by

fire, lightning, wind storm and other perils covered by standard extended coverage endorsements. The full replacement value of the original improvements is defined as the base price of the original structure excluding, but not limited to, custom finished basements and any other improvements over the base original price. Insurance premiums are assessed uniformly based upon the base price of the original structure. Betterments done in addition to the original structure and additional custom improvements shall not be covered by the Association's policy: The intent is to provide only coverage based only upon the basic purchase price excluding any custom betterments.

The Association shall also purchase and provide comprehensive general liability coverage insurance, against any other hazards and in such amounts as shall be determined from time to time by the Board of Directors of the Association. The Association, in addition to the foregoing, shall provide Directors and Officers liability coverage insurance for the Association, for its Officers, and members of the Board of Directors. Finally, if the Association has any employees of any nature, the Association shall purchase and provide Worker's Compensation Insurance for all employees who may come within the scope of Nebraska Worker's Compensation laws.

The above insurance shall not cover the personal property of any Owner of any lot, it being the Owner's responsibility to provide such insurance coverage for the Owner's protection. In addition the Association may purchase such additional insurance against any additional hazards which may be deemed appropriate by the Board of Directors.

Section 2. The Association has been irrevocably appointed by Declarant as agent for each Owner of each and every Lot in the Properties and for the holder of any Mortgage on any Lot in the Properties, to adjust any and all claims arising under insurance policies purchased by the Association on the improvements on the Properties, and to execute and deliver releases upon payment of claims without joinder by any such Owner or mortgagee. All insurance proceeds shall be applied by the Association toward repairing the damage covered by such insurance, provided that reconstruction or repair shall not be compulsory where the damage exceeds two-thirds (2/3) of the value of all the buildings and improvements on all of the Lots covered by such insurance.

The deductible portion of the applicable master insurance policy shall be borne equally by those lots which have suffered the loss. Should the Owners so elect not to rebuild, the insurance proceeds, along with the insurance indemnity, if any, shall be credited to each Owner in accordance with such Owner's prorata share of the loss as sustained from the casualty for which the proceeds shall be payable. Such sums shall be first applied towards satisfaction of any recorded first mortgage against such Lots, next applied towards satisfaction of junior recorded liens

in order of their priority, next toward the cost of razing the improvements or any remnants thereof from said properties, and the filling and leveling of any of said Lots, as needed, and the remainder shall then be paid to such Owner of such razed properties on a prorata basis.

In case the insurance proceeds do not equal the cost of repairs or rebuilding, the excess cost shall be considered a maintenance expense to be assessed and collected by the Association from the Owner of the damaged improvements. In any cases of over insurance, any excess proceeds of insurance received shall be credited towards the working fund of the Association.

Section 3. Each Lot Owner may obtain such additional insurance for the individual Owner's benefit and at such Owner's own expense as may be deemed necessary by the Lot Owners. Each Lot Owner shall obtain additional insurance to cover specific improvements and betterments in the Owner's unit, personal liability, specific personal property items, the ten percent (10%) co-insurance provision of the full replacement cost of the base price of the original structure, and any exclusions of insurance coverage from the master policy provided by the Association.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot or parcel against which the assessment is made. Any assessment which is not paid when due shall be delinquent. If any assessment is not paid within thirty (30) days after the due date, such assessment shall bear interest from the date of delinquency at the highest legal rate (which is presently sixteen percent (16%) allowable by Nebraska statutes, and the Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any Court having jurisdiction of actions for the enforcement of such liens. Should any part of any assessment remain unpaid for more than sixty (60) days after the due date, the Association may declare the entire unpaid portion of such assessment for said year to be immediately due and thereafter delinquent. No owner may waive or otherwise escape liability for the assessments provided herein by abandonment or transfer of such owner's Lot or parcel except as set forth in writing by the Board of Directors.

ARTICLE XII.
CORPORATE SEAL.

The Association shall have a corporate seal in circular form having its name incorporated therein, and showing that the corporation is a Nebraska nonprofit corporation.

ARTICLE XIII.
AMENDMENTS

Section 1. These By-Laws may be amended at any regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declarations of Covenants, Conditions, and Restrictions, and these Bylaws, the Declarations shall control.

Section 3. The articles of incorporation may be amended with the approval of at least 2/3 of the lot owners.

ARTICLE XIV.
FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year, except that the first fiscal year of the Association shall begin with the date of incorporation.