

Dan Natta
REGISTER OF DEEDS

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BYLAWS

INST. NO 97

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The Executive Board of Twelfth and Que Condominium Association (Association) adopts the following Bylaws:

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OFFICES

1. The offices of the Association shall be at 2400 S. 77th Place, Lincoln, Nebraska 68506, and at such other places as the Executive Board may determine.

MEMBERS

2. The membership of the Association shall be as defined in the Declaration of Twelfth and Que Condominium, and shall be subject to the payment of annual and special assessments made by the Association. Rights of membership may be suspended by the Executive Board during any period for which such assessments remain unpaid. Upon the adoption and publication of rules and regulations governing the use of the common elements, rights of membership may be suspended by the Executive Board, for a period not to exceed 30 days or fines levied, for violations of such rules and regulations.

MEMBERS' MEETINGS

3. Meetings of the members for the election of directors shall be held at the offices of the Association or at such place as shall be stated in the notice of the meeting. The annual meeting of the members shall be held on the first Monday of February of each year, if not a legal holiday, and if a legal holiday, on the next secular day. At each annual meeting, the Unit A and Unit B member shall each designate one director and elect one additional director for a total of three (3) directors, each for a term of one year, and transact such other business as may properly come before the meeting.

4. At all meetings of the members, a quorum is present throughout any meeting of the Association if persons entitled to cast 52 percent of the votes which may be cast for the election of the Executive Board are present, in person or by proxy, at the beginning of the meeting. For the approval of a special assessment for capital improvements or an amendment to the Bylaws, persons representing 65 percent of the allocated interests, present in person or by proxy, shall constitute a quorum.

5. At any meeting of the members, every member may vote in person or by proxy appointed by an instrument in writing by such member. If no record date is fixed by the Executive Board, the date on which the notice of the meeting is mailed shall be deemed the record date for the determination of members entitled to vote. Transferees of any unit transferred after the record date shall not be entitled to notice nor to vote.

6. Written notice of the annual meeting shall be delivered or mailed to each member entitled to vote at the address which appears on the books of the Association at least ten days prior to the meeting.

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7. Special meetings for any purpose may be called by the President, a majority of the Executive Board, or at the written request of 49 percent of the members entitled to vote. The request shall state the purpose of the meeting.

8. Written notice of any special meeting, stating the purpose of the meeting, shall be delivered or mailed to each member entitled to vote at the address which appears on the books of the Association at least ten days prior to the meeting.

9. The act of a majority of the votes in the Association present at any meeting, at which there is a quorum, shall be the act of the Association, except as may otherwise be specifically provided by statute, these Bylaws, or the Declaration.

DIRECTORS

10. The number of directors shall be three (3). The selection and election of directors shall be held at the annual meeting of the members. Each director shall be selected or elected to serve for one year or until a successor shall be elected. A selected director may be removed and replaced at any time by the Unit owner which made the selection. An elected director may be removed by members holding 65 percent of the voting percentage in the Association present at an annual meeting of the members or at a special meeting of the members if the proposed removal is contained in the notice of such special meeting.

11. If the office of any director shall become vacant for any reason, a majority of the remaining directors, though less than a quorum, shall choose a successor who shall hold office until the next election of directors.

12. The property and business of the Association shall be managed by the Executive Board. The Board shall prepare a proposed budget for the condominium and a schedule of assessments, send written notice of each assessment to every member assessed, collect the assessments, issue a certificate upon request setting forth whether any assessments are paid or due, adopt and publish rules and regulations governing the use of the common elements, and exercise all other powers of the Association.

13. Within 30 days after adoption of the proposed budget for the condominium, the Executive Board shall provide a summary of the budget to all members.

Upon request, the Board shall provide to any unit owner:

A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the unit owner;

- a. A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the unit owner;
- b. Any other fees payable by unit owners;
- c. The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

d. The current operating budget of the Association, if any.

14. Directors shall not receive any stated salary for their services, but by resolution of the Board, expenses of attendance may be allowed for regular or special meetings of the Board. A director may serve the Association in any other capacity and receive compensation.

MEETINGS OF THE EXECUTIVE BOARD

15. The Executive Board shall meet immediately following the annual meeting of the members, and no notice of the meeting shall be necessary if a quorum is present.

16. Regular meetings of the Board may be held without notice at the time and place determined by the Board.

17. Special meetings of the Board may be called by the President and shall be called at the written request of two directors.

18. Notice of any special meeting of the Board shall be given to each director, either personally or by mail, at least three days prior to the meeting.

19. At all meetings of the Board, a quorum is present throughout the meeting if persons entitled to cast one-half of the votes on the Board are present at the beginning of the meeting. The act of a majority of the directors present at any meeting, at which there is a quorum, shall be the act of the Board, except as may otherwise be specifically provided by statute.

INSURANCE

20. Insurance coverages relating to the property shall be secured by the Executive Board. Neither the Board nor the declarant shall be liable for failure to obtain any coverages or for any loss resulting from such failure if such coverages are unavailable or available only at a demonstrably unreasonable cost. The Board shall notify each unit owner of the procurement of, changes in, or termination of, or allocation of insurance coverages secured on behalf of the Association.

21. Each policy shall provide:

- a. Each unit owner is an insured with respect to the unit owner's interest in the common elements or membership in the Association;
- b. The insurer waives any right to claim by subrogation against the declarant, the Association, the Executive Board, or the unit owners and their respective invitees, agents, employees;
- c. The policy shall not be cancelled or suspended due to the conduct of any unit owner (including invitees, agents and employees) or of any member, officer or employee of the Association without a prior demand, in writing, that the breach be cured within 60 days;
- d. The policy may not be cancelled or substantially modified without 60 days prior written notice to the Executive Board and, in the case of physical damage insurance, to all unit owners and mortgagees;

- e. The policy is primary, as against other insurance in the name of the unit owner covering the same risk.

22. The Executive Board shall maintain a blanket, "special" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition, and water damage endorsements insuring the property. Coverage shall include all structural components (including glass) up to the boundaries as described in the Declaration, all common areas, all mechanical systems (including but not limited to electrical, elevators, plumbing, heating, ventilation and air-conditioning systems and related systems) and other service machinery. Unit owners shall be solely responsible, at their own expense, for maintaining property insurance covering all property and improvements provided by such unit owner and incorporated into or located within the property except the property and improvements specifically covered by the Association's policy as required in this Section 22. The policy shall cover the interests of the Association and all unit owners and their mortgagees, as their interests may appear, subject to loss payment and adjustment provisions in favor of the Executive Board as Insurance Trustee. Coverage shall be in an amount equal to 100 percent of the then current replacement cost of the property, without deduction for depreciation, the amount to be redetermined annually by the Board with the assistance of the insurance company affording coverage.

- a. The policy may also include:
 - i. A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;
 - ii. The following endorsements (or equivalent):
 - (1) A "no control" endorsement providing that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents when such act or neglect is not within the control of the insured, or the unit owners collectively;
 - (2) "Contingent liability from operation of building laws or codes";
 - (3) "increased cost of construction" or "condominium replacement cost"; and
 - (4) "agreed amount" or elimination of co- insurance clause; and
- b. Any "no other insurance" clause shall expressly exclude individual unit owners' policies.

23. The Executive Board shall maintain comprehensive general liability and property damage insurance to such limits as the Board may determine, from time to time, insuring each member of the Board, each unit owner and the declarant against any liability to the public or to the unit owners arising from the ownership and use of the common elements. The policy shall contain:

- a. A "severability of interest" endorsement which shall preclude the insurer from denying liability to a unit owner because of negligent acts of the Association or of another unit owner.

- b. The policy shall also include contractual liability coverage.

The limits of liability under such insurance shall be at least \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than \$1,000,000.

24. The Executive Board may also maintain:

- a. Adequate fidelity bonds to protect against dishonest acts on the part of officers, members of the Board and employees of the Association and all others who handle funds of the Association. Such fidelity bonds shall:
 - i. Name the Association as an obligee;
 - ii. Be written in an amount not less than one-half the total annual condominium assessments for the year; and
 - iii. Contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;
- b. If required by any governmental agency, flood insurance in accordance with the applicable regulations of such agency;
- c. Worker's compensation insurance to the extent necessary to meet the requirements of applicable law; and
- d. Such other insurance as the Executive Board may determine or as may be requested from time to time by a majority of the unit owners.

25. All physical damage insurance policies purchased by the Executive Board shall be for the benefit of the Association, the unit owners, their mortgagees and the declarant, as their interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Association as Insurance Trustee to be applied pursuant to these Bylaws. The Executive Board may allocate insurance coverages to the Units on a basis other than allocated interests. The deductible on any policy purchased by the Board shall be a common expense. All mortgagees shall be notified promptly of any event giving rise to a claim under the policy arising from damage to the common elements in excess of one (1) percent of the then current replacement cost of the property. The mortgagee of a unit shall be notified promptly of any event giving rise to a claim under the policy arising from damage to the unit. All unit Owners and the Association shall include in all applicable policies a waiver of subrogation claims by and between the Association and all unit Owners.

26. If the property is damaged as a result of fire or other casualty, the Executive Board shall arrange for and supervise the prompt repair and restoration of the property. Each unit owner shall have the right to supervise the redecorating of that unit.

- a. If the proceeds of insurance are not sufficient, the additional sum necessary to complete the restoration shall be a common expense;
- b. Any restoration shall be substantially similar to the original construction of the property, subject to any modifications required by changes in applicable

governmental regulations, and using contemporary building materials and technology to the extent feasible.

27. The Executive Board may elect not to repair insubstantial damage to the common elements.

OFFICERS

28. The officers of the Association shall be elected by the Board and shall be President, Vice President, Secretary, and Treasurer. One person may hold any two offices, except the offices of President and Vice President.

29. The Board, at the first meeting after the annual meeting of the members, shall choose a President from the members of the Executive Board, and a Vice President, a Secretary and a Treasurer, none of whom need be a member of the Board.

30. The Board may appoint other officers and agents, and delegate such authority as the Board may determine.

31. The officers of the Association shall hold office for one year or until their successors are elected. Any officer elected by the Board may be removed at any time by the affirmative vote of the majority of the Board. If any office becomes vacant, the Board shall elect a successor who shall hold office until the next election of officers.

PRESIDENT

32. The President shall be the chief executive officer of the Association, preside at all meetings of the members and the Board, and carry out all orders and resolutions of the Board.

33. The President shall execute conveyances of real estate, contracts and amendments to the Declaration, except when such authority is expressly delegated by the Board to some other officer or agent of the Association.

VICE PRESIDENT

34. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board may prescribe.

SECRETARY

35. The Secretary shall attend all meetings of the Board and all meetings of the members and record all votes and the minutes of all proceedings in books belonging to the Association. The Secretary shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board and shall perform such other duties as the Board or the President may prescribe.

TREASURER

36. The Treasurer shall have the custody of the Association funds, keep accurate accounts or receipts and disbursements in books belonging to the Association and deposit all monies in the name of the Association in such depositories as may be designated by the Board.

37. The Treasurer shall disburse the funds of the Association as directed by the President or the Board and shall file, at least annually, a report of all transactions and the financial condition of the Association.

38. If required by the Board, the Treasurer shall give bond for the faithful performance of the duties of the office.

INDEMNITY

39. The Association shall defend and indemnify the directors and officers from all claims arising from the performance of their duties, except those involving willful misconduct or bad faith. The cost of defense and indemnification shall be a common expense.

NOTICES

40. Whenever, by these Bylaws, notice is permitted to be given by mail, notice shall be deemed to have been given when mailed.

41. A waiver of any notice, signed by the person entitled to such notice, at any time, shall be equivalent to the giving of such notice.

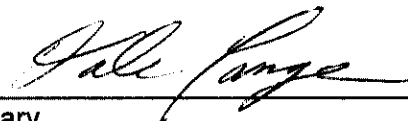
CONFLICTING PROVISIONS

42. In the event of a conflict between the Articles of Incorporation and these Bylaws, the Articles shall be controlling; in the event of a conflict between the Declaration and these Bylaws, the Declaration shall be controlling.

AMENDMENTS

43. These Bylaws may be amended at any regular or special meeting of the members or the Board. Notice of the proposed amendment shall be contained in the notice of a special meeting.

Adopted: July 8, 1997.



Secretary

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UNITS A+B, TWELTH & QUE CONDOMINIUM

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