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**PROGRESS WEST**  
CORPORATION

10180 "L" Street  
Omaha, Nebraska 68127-1120

AMENDMENT TO THE BY-LAWS  
OF THE  
MARINDA HEIGHTS CONDOMINIUM REGIME  
~~MARINDA HEIGHTS TOWNHOMES, INC.~~

Comes Now Co-owners representing 64.3 percent (%) of the unit owners of the Marinda Heights Townhomes and agrees to an Amendment to the ByLaws as follows:

ARTICLE V, SECTION 2  
INSURANCE

The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) casualty insurance with extended coverage, vandalism and malicious mischief endorsements, insuring each building (including anything permanently attached to the building inside or outside of each unit, but not including furniture or furnishings and the personal property of each Unit owner, together with all service machinery contained therein and covering the interest of the Regime, the Corporation, the Board of Directors and all Unit owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of each building, without deduction for depreciation; each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Board of Directors hereinafter set forth; (2) workmen's Compensation insurance; and (3) such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Directors and that the net proceeds thereof shall be payable to the Board of Directors.

All policies of casualty insurance shall to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least 10 days prior written notice to all of the insured, including all mortgagees of Units.

The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine covering each member of the Board of Directors, the managing agent, the manager and each Unit owner. Such public liability coverage shall also cover gross liability claims of one insured against another. The Board of Directors shall review such

limits once a year. Until the first meeting of the Board of Directors following the first annual meeting of the Unit owners, such public liability insurance shall be an amount not less than \$1,000,000.00 for claims for bodily injury and for property damage.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit owner.

This Amendment is pursuant to Article XII, Section 1 of the ByLaws of the Marinda Heights Condominium Regime.

*Joffe Elaine Varbundy by Proxy*  
2203 S. 51st Street

*Max Erritt*  
2207 S. 51st Street

*Darlene Anderson*  
2211 S. 51st Street

*Karen Taylor*  
2215 S. 51st Street

2219 S. 51st Street

2223 S. 51st Street

2227 S. 51st Street

*Nancy Wilt by proxy vote*  
2205 S. 51st Street

*Group Lacy*  
2209 S. 51st Street

*Sandra Krauskow*  
2213 S. 51st Street

*Tamra Renville*  
2217 S. 51st Street

*Deborah Leas*  
2221 S. 51st Street

2225 S. 51st Street

2229 S. 51st Street

State of Nebraska )  
                          )SS  
County of Douglas)

Before me, a notary public, duly qualified for said county and state, personally came \_\_\_\_\_, known to me to be the identical person who signed the foregoing instrument and acknowledged the execution thereof to be his/her voluntary act and deed.

Signed this 5<sup>th</sup> day of May, 1992.



*[Signature]*  
Notary Public

→ Joffe Elaine VarBundy by Proxy  
Max Erritt  
Darlene Anderson  
Karen Taylor

Deborah Leas  
Tamra Renville  
Nancy Wilt by Proxy  
Group Lacy  
Sandra Krauskow

\*\*\*\*\* PROXY \*\*\*\*\*

I Elaine Van Gundy hereby proxy on my behalf my  
(Owner's Name)  
votes to GROVE LACY for the purpose of  
(Person on Board)  
electing officers and any other business conducted at the Marinda  
Heights Meeting to be held on Tuesday, May 5, 1992.

Elaine Van Gundy \_\_\_\_\_ % of Ownership  
Signature  
2203 So 51 St.  
Unit Address

IMPORTANT: No person may bring more than one proxy for voting purposes. All additional proxies must be turned over to the Board of Directors for voting.

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\*\*\*\*\* PROXY \*\*\*\*\*

I Nancy Witt hereby proxy on my behalf my  
(Owner's Name)  
votes to Karen Taylor for the purpose of  
(Person on Board)  
electing officers and any other business conducted at the Marinda  
Heights Meeting to be held on Tuesday, May 5, 1992.

Nancy Witt  
Signature  
2205 S. 51<sup>st</sup> St.  
Unit Address

\_\_\_\_\_  
% of Ownership

IMPORTANT:

No person may bring more than one proxy for voting purposes. All additional proxies must be turned over to the Board of Directors for voting.

*Handwritten:* 158554  
*Handwritten:* Main

BK 1017 N \_\_\_\_\_ C/O \_\_\_\_\_ FEE 27<sup>00</sup>  
PG 120-23 DEL 14 MC RS  
OF MLSCOMP ML 28 23090

JUN 17 12 47 PM '92  
GEORGE J. BUGLEWICZ  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

RECEIVED

EXHIBIT B

BYLAWS

ARTICLE I

General Application of Bylaws

Section 1. Bylaws. The following are the Bylaws of Marinda Heights Association, a Nebraska nonprofit corporation (the "Corporation") whose registered agent is Robert P. Pettegrew, and its registered office is located at 1104 South 124th Street, Omaha, Nebraska 68144. The following Bylaws are also the Bylaws of Marinda Heights Condominium Regime (the "Regime").

Section 2. Members. The Corporation has been established to provide a means of management for Marinda Heights Condominium Regime in Douglas County, Nebraska. Membership in the Corporation is automatically granted and restricted to record owners, including contract sellers, of Units in the Regime subject to the restrictions of Article V, Section 9(c).

Section 3. Unit Ownership. The property legally described in that certain Master Deed and Declaration (the "Master Deed") has been submitted to the provisions of the Nebraska Revised Statutes Sections 76-801 et seq. (the "Act") by the Master Deed recorded simultaneously herewith in the office of the Register of Deeds of Douglas County, Nebraska.

Section 4. Applicability of Bylaws. The provisions of these Bylaws are applicable to all of the property of the Regime and the use and occupancy thereof. The term "Real Estate" means the land, the buildings and all other improvements thereon (including the condominium units and the general common elements), owned in fee simple and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Act.

Section 5. Application. All present and future owners, mortgagees, lessees and occupants of Units, and any other persons who may use the Real Estate in any manner, are subject to these Bylaws, the Master Deed and the Rules and Regulations. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws, the Rules and

Regulations and the Master Deed, as the same may be amended from time to time, are accepted and ratified.

Section 6. Office. The office of the Regime and of the Corporation shall be located at 1104 South 124th Street, Omaha, Nebraska, or such other place as may be selected by the Board of Directors.

ARTICLE II

Unit Owners

Section 1. Annual Meetings. One year after Units representing 75% or more in common interest shall have been sold by the Sponsor or at such earlier time as the Sponsor shall determine, the Sponsor shall provide written notice to all Unit owners of the time and place of the first annual meeting of the Unit owners which shall be held within 30 days thereafter. At such meeting, the original Board of Directors shall resign as members of the Board of Directors and as officers, and all the Unit owners, including the Sponsor, shall elect a new Board of Directors. Thereafter, the annual meetings of the Unit owners shall be held on the 5th day of February of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the next succeeding business day. At such meetings, the Board of Directors shall be elected by ballot of the Unit owners in accordance with the requirements of Section 4 of Article III of these Bylaws. So long as the Sponsor shall own one or more of the Units, the Sponsor shall be entitled to elect at least one member of the Board of Directors who shall serve for a term of one year. The Unit owners may transact such other business at such meetings as may properly be considered.

Section 2. Place of Meetings. Meetings of the Unit owners shall be held at the office of the Corporation designated in Article I, Section 6 hereof or at such other suitable place convenient to the Unit 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 Unit owners 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 Unit owners. The notice of any special meeting shall provide the time and place of such meeting and the purpose thereof. No

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business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. A written notice of each annual or special meeting of the Unit owners shall be sent out at least 10 but not more than 30 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit owner of record, at their address or at such other address as such Unit owners shall have designated by notice in writing. The mailing of a notice of meeting in the manner provided by this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of the Unit owners cannot be held because a quorum has not attended, a majority in common interest of the Unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of Unit owners shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of Board of Directors.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New business.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.



Section 8. Voting. The owner or owners of each Unit, 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 vote appurtenant to such Unit at all meetings of Unit owners. In the event an owner shall own more than one Unit, such owner shall be entitled to vote the vote with respect to each Unit. 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 Unit owners and (those constituting a group acting unanimously), may vote or take any other action as a Unit owner either in person or by proxy; however, no proxy may cast a vote for more than one Unit owner. The total number of votes of all Unit owners shall be 14, and each Unit owner (including the Sponsor and the Board of Directors, if the Sponsor shall then own, or the Board of Directors, or its designee, shall then hold title to one or more Units) shall be entitled to cast one vote at all meetings of the Unit owners. If a Unit is owned by more than one owner, such owners may not split the vote and shall not cast a fractional portion of a vote.

Section 9. Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit owners" means those Unit owners having more than 50% of the total authorized votes of all Unit owners present in person or by proxy and voting at any meeting of the Unit owners, determined in accordance with the provisions of Section 7 of this Article II.

Section 10. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit owners having 1/3 of the total authorized votes of all Unit owners shall constitute a quorum at all meetings of the Unit owners.

Section 11. Majority Vote. The vote of a majority of Unit owners at a meeting at which a quorum shall be present shall be binding upon all Unit owners for all purposes except where in the Master Deed, these Bylaws or the Rules and Regulations a higher percentage vote is required.

### ARTICLE III

#### Board of Directors

Section 1. Number and Qualification. The affairs of the Corporation and the Regime shall be governed by a Board of Directors. Until one year after Units representing 75% in common interest shall have been sold by the Sponsor of the

Regime and shall have been paid for, and thereafter until their successors shall have been elected by the Unit owners, the Board of Directors shall consist of such persons as shall have been designated by the Sponsor. Thereafter, the Board of Directors shall be composed of not less than three nor more than five persons, all of whom shall be owners of Units.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and the Regime, and may do all such acts and things except as by law or by the Master Deed or by these Bylaws may not be delegated to the Board of Directors by the Unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

(a) operation, care, upkeep and maintenance of the general common areas and the Real Estate;

(b) determination of the common expenses required for the affairs of the Regime, including, without limitation, the operation and maintenance of the general common areas and the Real Estate;

(c) collection of the common charges (which for the purpose of these Bylaws shall mean such portion of the common expenses as are payable by the respective Unit owners) from Unit owners;

(d) employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and the Real Estate;

(e) engaging the services of a managing agent to administer and operate the Regime or any part thereof for all the Unit owners, upon such terms and for such compensation and with such authority as the Board may approve;

(f) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the general common elements and the Real Estate;

(g) opening bank accounts on behalf of the Corporation and designating the signatories required therefor;

(h) obtaining insurance for the general common elements and the Real Estate, including the Units pursuant to the provisions of Article V, Section 2 hereof; and

(i) making repairs, additions and improvements to or alterations of the general common elements and the Real Estate and repairs to and restoration of the general common elements and the Real Estate in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the Regime a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k) and (l) of Section 2 of this Article III. The Board of Directors may delegate to the manager or managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subdivisions (b), (e) and (f) of Section 2 of this Article III.

Section 4. Election and Term of Office. At the first annual meeting of the Unit owners, the members of the Board of Directors shall be elected to serve terms of one year. Each director shall be elected by the vote of a majority of Unit owners. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of Unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any members of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Unit owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Unit owners.

Section 7. Annual Meeting. The annual meeting of the members of the Board of Directors shall be held immediately following the annual meeting of the Unit owners, at such time and place as shall be fixed by the Unit owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President upon five 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 like notice on the written request of at least three members 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. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, 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 adjournment 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 11. Fidelity Bonds. The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Corporation handling or responsible for Corporation funds. The premiums on such bonds shall constitute a common expense.

Section 12. Compensation. No member of the Board of Directors shall receive any compensation from the Corporation for serving as a member of the Board of Directors.

Section 13. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Unit owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the general common areas, the Real Estate or the Regime. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Real Estate or the Regime 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 Corporation and shall have no personal liability thereunder.

#### ARTICLE IV

##### Officers

Section 1. Designation. The principal officers of the Corporation shall be the President, the Vice President and the Secretary/Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint 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 Corporation 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 annual 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 Corporation. He shall preside at all meetings of the Unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of

Nebraska, including, but not limited to, the power to appoint committees from among the Unit owners from time to time as he may at his 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 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 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/Treasurer. The Secretary/ Treasurer shall take the minutes of all meetings of the Unit owners and of the Board of Directors and shall keep same at the principal office of the Corporation unless otherwise instructed by 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 of a nonprofit corporation organized under the laws of the State of Nebraska. The Secretary/ Treasurer shall have the responsibility for Corporation 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 depository 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 of a nonprofit corporation organized under the laws of the State of Nebraska.

Section 7. Agreements, Contracts, Checks, etc. All agreements, contracts, checks and other instruments of the Corporation shall be executed by the two officers of the Corporation or by such other person or persons as may be designated by the Board of Directors, including managers of the property.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Corporation for serving as an officer to the Corporation.

ARTICLE VOperation of the Real Estate

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 Regime, determine the amount of the common charges payable by the Unit owners to meet the common expenses of the Corporation and allocate and assess such common charges among the Unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of Article V. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the general common areas including, without limitation, an amount for working capital of the Corporation, 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 Unit owners promptly in writing of the amount of common charges payable by each Unit owner, as determined by the Board of Directors, and shall furnish copies of each budget on which such common charges are based to all Unit owners.

Section 2. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) casualty insurance with extended coverage, vandalism and malicious mischief endorsements, insuring each building (including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decoration or coverings or other furniture or furnishings, fixtures or equipment installed by Unit owners), together with all service machinery contained therein and covering the interest of the Regime, the Corporation, the Board of Directors and all Unit owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of each building, without deduction for depreciation; each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Board of Directors hereinafter set forth; (2) workmen's compensation insurance; and (3) such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of

Directors and that the net proceeds thereof shall be payable to the Board of Directors.

All policies of casualty insurance shall to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least 10 days' prior written notice to all of the insureds, including all mortgagees of Units.

The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine covering ~~each member of the Board of Directors, the managing agent, the manager and each Unit owner.~~ ~~Such public liability coverage shall also cover claims of one insured against another.~~ ~~The Board of Directors shall review such limits once a year.~~ ~~At the first meeting of the Board of Directors following the first annual meeting of the Unit owners, such public liability insurance shall be an amount not less than \$1,000,000.00 for claims for bodily injury and for property damage.~~

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit owner.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the buildings as a result of fire or other casualty (unless 2/3 or more of the buildings are destroyed or substantially damaged and 75% or more of the Unit owners determine in accordance with the Master deed not to proceed with the repair or restoration), the Board of Directors shall arrange for the prompt repair or restoration of the buildings (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decorations or coverings or other furniture or furnishings, fixtures or equipment installed by Unit owners in the Units), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments and in a manner as determined by the Board of Directors. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common