

BYLAWS

of

DEER CREEK VILLAS HOMEOWNERS ASSOCIATION A Nebraska Nonprofit Corporation

ARTICLE I.

The name of this corporation is Deer Creek Villas Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 13467 Fowler Avenue, Omaha, Nebraska 68164, 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. Each capitalized term used herein without definition shall have the meaning given to such term in the Declaration.

Section 2. "Declaration" shall mean and refer to the "Declaration of Covenants, Conditions and Restrictions" applicable to the Properties, as amended and restated from time to time, as recorded in the office of the Register of Deeds of Douglas County, Nebraska.

Section 3. "Member" shall mean and refer to each of 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 villa unit sold. Each subsequent annual meeting of the Members shall be held each year, approximately one year from the previous annual meeting, on a date to be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or the Vice President, or by the Board of Directors, and shall be called by the Secretary of the Association or other authorized person upon receipt by any officer of the Association of a written request signed by Members of the Association holding at least forty percent (40%) of the voting power of the Association.

Section 3. Notice of Meetings. Written notice of any meeting of the Members 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 sixty (60) days, in advance of any such meeting 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, in the case of a special meeting, the purpose of the meeting. Notice of any meeting may be waived either before or after the meeting.

Section 4. Quorum and Proxies. Unless the Nebraska Nonprofit Corporation Act or the Articles of Incorporation of the Association provide otherwise, ten percent (10%) of the votes entitled to be cast on a matter must be represented at a meeting of Members to constitute a quorum on that matter. At all meetings of Members, a Member may vote his or her shares either in person or by proxy. A Member may appoint a proxy to vote or otherwise act for him or her by signing an appointment form either personally or by his or her attorney-in-fact. An appointment of a proxy shall be effective when received by the Secretary or other officer or agent authorized to tabulate votes. An appointment of a proxy shall be valid for 11 months unless a longer period is expressly provided in the appointment form. No proxy shall be valid for more than three years from its date of execution.

Section 5. Informal Action by Members. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting by obtaining the written consents of Members holding at least eighty percent (80%) of the voting power of the Association, which written consents shall describe the action taken and shall be signed by the consenting Members. Such consents shall have the same force and effect as a meeting vote of the Members and may be described as such in any articles or documents filed with the Secretary of State.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than seven (7) 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 meeting of the Members.

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 or her successor shall be selected by the affirmative vote of a majority of the remaining directors 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 all of the directors, which consent may be executed by the directors in counterparts. 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. At each annual meeting of the Members of the Association, each member of the Board of Directors shall be elected to serve until the next annual meeting of the Members or until his or her successor shall have been duly elected and qualified. The Board of Directors is encouraged to seek nominees in advance of each annual meeting, however all nominations shall be made at such annual meetings. 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 Declaration, for each director to be elected. Persons receiving the most 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 twenty percent (20%) of the directors then in office, upon two (2) 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 may be held as needed in addition to the annual meetings.

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 Bylaws, the Articles of Incorporation, or the Declaration; 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:
 - (1) Fix the amount of the periodic assessments against each Lot at least thirty (30) days in advance of each assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each 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 general liability insurance on the Properties, and directors and officers liability insurance for the Association, its officers and directors;
- (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; and
- (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 Association 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 Association 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 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 or the President or, in the absence of the President, the Vice President; 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, distribute such financial statement on a monthly basis to all Owners, and provide a bank reconciliation report on a monthly basis to the Board of Directors; 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 may, by majority vote, 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 Declaration. 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 Association. Each committee shall consist of two or more directors. These committees may include the following:

- (a) Architectural control: to enforce all published rules and regulations of the Association and to insure compliance with the Declaration and the Bylaws.
- (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 periodically review the insurance coverages to be provided by the Association as provided in Article X and to periodically solicit bids for such insurance coverages.
- (f) Social: to schedule Association activities and arrange for refreshments for 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 Bylaws 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.
AMENDMENTS

Section 1. These Bylaws may be amended at any regular or special meeting of the Members by a vote of two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Except as otherwise prescribed by statute or in these Bylaws, the Articles of Incorporation of the Association may be amended by the Members by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.

ARTICLE XIII.
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.