

BYLAWS OF THE  
CEDAR COVE TOWNHOME ASSOCIATION, INC.

ARTICLE I.  
NAME AND LOCATION

The name of the corporation is Cedar Cove Townhome Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located in Lancaster County, Nebraska, but meetings of members and directors may be held at such places within the State of Nebraska, as may be designated by the Board of Directors.

ARTICLE II.  
DEFINITIONS

Section 1: "Association" shall mean and refer to Cedar Cove Townhome Association, Inc., its successors and assigns.

Section 2: "Cedar Cove Townhomes" shall mean and refer to those properties subject to the Declaration as hereinafter defined and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Facilities" shall mean the items designated or to be designated in the Declaration as real property owned by or managed by the Association for the common use and enjoyment of the Owners.

Section 4: "Lot" shall mean and refer to any lot or portion of a lot shown upon any recorded plat or replat of the Properties, or any portion thereof.

Section 5: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declaration" shall mean and refer to a Declaration of Covenants and Restrictions for Cedar Cove Townhomes, dated January 30, 2009, and recorded on February 2, 2009, as Instrument No. 2009004880 in the office the Lancaster County Register of Deeds as the same may be amended from time to time as therein provided.

Section 7: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation for the Association.

ARTICLE III.  
MEMBERS

Section 1: Members. Members shall be as defined in the Declaration and Articles of Incorporation. Each Member shall be entitled to all the rights of membership and to one vote for each Lot in which the interest requisite for membership is held. However, no more than one vote shall be cast with respect to any Lot.

Section 2: Annual Meetings. Annual meetings of the Members shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The annual meeting of Members shall be held in April each year at a date and time set by the Board of Directors.

Section 3: Special Meeting. Special meetings of the Members may be called at any time by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes.

Section 4: Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the persons authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or, at Member's election, emailing notice no less than 10 and no more than 60 days before such meeting to each Member entitled to vote thereat. Said notice shall be addressed to the mail or email address provided to the Association for receipt of notice. If a Member has not designated an address or method of notice, notice shall be mailed to the Member's address last appearing on the books of the Association. 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.

Section 5: Record Date. If no record date is fixed by the Board of Directors, the date on which the notice of the meetings is mailed or emailed shall be the record date for the determination of Members entitled to vote.

Section 6: Quorum. At all meetings of the Members, those Members present and entitled to vote, in person or by proxy, shall constitute a quorum for the transaction of business except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws.

Section 7: Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

Section 8: Suspension of Voting Rights. A Member's voting rights shall be suspended for any period during which any assessment against the Member's Lot(s) remains unpaid. The Board of Directors may suspend, for a period not to exceed sixty (60) days, a Member's voting rights for any infraction of the Association's published rules and regulations.

#### **ARTICLE IV. BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE**

Section 1: Number. The affairs of this Association shall be managed by a Board of not less than three (3) or more than five (5) directors elected by the Members. To qualify as a member of the Board of Directors, a person must be an Owner or member or officer of an Owner residing at Cedar Cove Townhomes.

Section 2: Term of Office. Directors shall serve two years or until a successor is elected. Whenever any one or more of the said directors or their successors appointed or elected as herein provided shall die, be removed, be unable to act or resign, or shall cease to have an interest in the above-described property as an Owner, an officer of an Owner, or a duly-appointed representative of an Owner of land in Cedar Cove Townhomes, then the unexpired term shall be filled for the balance of such unexpired term by appointment of a successor director by majority vote of the then remaining directors, subject to the provisions of Article IV, Section 1 of these Bylaws.

Section 3: Ex-Officio. In addition to directors serving pursuant to the provisions of Article IV Sections 1 and 2 of these Bylaws, the Members may elect one director whose term has expired to remain on the board in an ex-officio capacity. This director shall not be an officer of the Association and shall not exercise the voting privileges of a director.

Section 4: Removal. Any director may be removed from the Board by two-thirds of the votes of the Members 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 special meeting.

Section 5: Compensation. No director shall receive compensation for any service he or she may render to the Association in his or her capacity as director. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. A director may serve the Association in any other capacity and receive compensation therefore.

Section 6: Actions Taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all directors. Written approval shall be sufficient for purposes of this Section if given via email, text, or any other electronic means of communication which reduces said approval to writing. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V. ELECTION OF DIRECTORS

The number of directors to be elected shall be determined and the election held at the annual meeting of the Members. At all elections for directors, every Member shall have the right to vote in person or by proxy, one vote for each Lot of record owned and/or fraction of a Lot of record owned in excess of one-half of such Lot for each director position as there are directors to be elected. Such vote shall be cumulative, that is, each Member may give one candidate as many votes as the number of votes held by the member, multiplied by the number of directors to be elected, or such cumulative total number of votes may be distributed on the same principle among as many candidates as Owner shall see fit.

## ARTICLE VI. MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors may be held without notice, at such place and hour as determined by the board and shall be held at least annually.

Section 2: Special Meetings. Special meetings of the Board of Directors shall be held when called by any two directors, upon twenty-four (24) hours' notice to each director.

Section 3: Quorum. Two (2) members of the Board of Directors shall constitute a quorum for the transaction of business. Directors present via telephone, real-time video conferencing or similar real-time electronic or video communication program shall be considered present for purposes of establishing a quorum and conducting business. At all meetings of the Board of Directors, a quorum is present throughout the meeting if persons entitled to cast one-half of the votes of the Board of Directors are present at the beginning of the meeting. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board except as otherwise specifically provided by statute.

ARTICLE VII.  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: Powers. The Board of Directors shall have the power to:

- A. Adopt and publish rules and regulations governing the use and maintenance of the Common Facilities in accordance with the Declaration;
- B. Suspend the voting rights of a Member 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 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.
- D. Declare the office of a member of the Board of Directors to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- E. Employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

Section 2: Duties. It shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all of its acts and corporate affairs which shall be available to Members upon request;
- B. Supervise all agents and employees of this Association, and to see that their duties are properly performed;
- C. As more fully provided in the Declaration, to:
  - 1. adopt an annual budget for the common services being provided to the Members of the Association, which budget shall be used to establish the assessment to be paid by the Members;
  - 2. fix the amount of the assessment against each Lot for each assessment period;

3. send or cause to be sent notice of the annual and any special assessment to every Owner subject thereto and, if the Board determines desirable, cause notice of such assessment to be recorded; and
  4. foreclose the lien against any property for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay the same.
- D. 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
  - E. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
  - F. Cause all employees or agents having fiscal responsibilities to be bonded, as it may deem appropriate; and
  - G. Cause the Common Facilities to be maintained.

#### ARTICLE VIII. OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall, at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may, from time to time create.

Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve. Each officer's term shall commence when elected, and shall expire at the time a successor is elected.

Section 4: Special Appointments. The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, having such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice 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.

Section 6: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7: Multiple Offices. The offices of Secretary and Treasurer may be held by the same person, no person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Duties. The duties of the officers are as follows:

President

- A. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolution of the Board are carried out; shall co-sign all promissory notes; and shall perform such other duties as provided in these By-Laws or by the Board of Directors.

Vice President

- B. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- C. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- D. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare or cause to be prepared an annual budget and a statement of income and expenditures to be available to Members upon request.

ARTICLE IX.

WRITTEN INSTRUMENTS, LOANS, CHECKS AND DEPOSITS, MERGERS

Section 1: Written Instruments - Real Property. All transfers, conveyances, leases, encumbrances or assignments of any real or personal property or of an interest thereon shall be executed by the President or Vice President and attested by the Secretary or Treasurer.

Section 2: Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances. The Association may mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 3: Checks. Drafts. Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by two directors or such agents of the Association as shall be determined and authorized by resolution of the Board of Directors.

Section 4: Drafts. All corporate funds not otherwise employed shall be deposited to the credit of the Association at such banks, savings and loans, credit unions, trust companies or other depositories as the Board of Directors may select.

#### ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times during reasonable business hours, be 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 reasonable cost.

#### ARTICLE XI ASSESSMENTS

Section 1: Obligation. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien upon the property against which the assessment is made. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 2: Collection. The Board of Directors may collect the annual assessment and any special assessment as more fully provided for in the Declaration, in monthly installments payable in advance. Any Member who becomes delinquent in payment of any assessment shall pay additional costs, fees, charges and expenditures as the Association may incur or levy in the process of collecting monies due and delinquent. Additional charges shall include but are not limited to a late charge in an amount fixed by the Board of Directors to compensate the Association for additional collection costs incurred in the event any assessment or other sum is not paid when due or within any "grace" period as established by the Board of Directors and interest on all assessments at the rate of 14% per annum beginning thirty days after the assessment becomes due. Late charges shall not exceed ten percent (10%) of the delinquent assessment or twenty dollars (\$20), whichever is greater.

#### ARTICLE XII. CORPORATE SEAL

The Association shall not have a corporate seal.

## ARTICLE XIII. INDEMNIFICATION

Section 1: Indemnification: Third Party Actions. Except for any prohibition against indemnification specifically set forth in these bylaws or in NEB. REV. STAT. §21-1996 et. seq., at the time indemnification is sought by any Member, director, employee, volunteer or agent of the Association, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Member, director, employee, volunteer or agent of the Association, or is or was serving at the request of the Association as a Member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (such serving as a director, employee or agent of the Association or at the request of the Association referred to herein as "serving on behalf of or at the Association's request"); against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2: Indemnification: Further Provisions. If a Member, director, employee, volunteer or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that the indemnification of such person is proper because he or she has met the applicable standard of conduct set forth in Section 1; such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors not parties to such action, suit or proceedings, or (2) in a written opinion by special independent counsel selected by the Board of Directors by a majority vote of a quorum consisting of directors not parties to such action, suit or proceedings, or (3) if the requisite quorum of the full Board of Directors cannot be obtained through disinterested directors, in a written opinion by special independent legal counsel selected by a majority vote of the full Board of Directors in which directors who are parties may participate. Expenses incurred by defending a civil or criminal action, suit, or proceedings may be paid by the Association in advance of the final disposition of such action, suit or proceedings as authorized in the manner provided in this Section 2 upon receipt of an undertaking by or on behalf of such person that such person believes in good faith that he or she has met the applicable standard of conduct set forth in Section 1 and that such person will repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified as authorized herein. The indemnification and advancement of expenses provided herein shall not be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any provision in the Articles of Incorporation, the Bylaws, any agreement, any vote of members or disinterested directors, or otherwise, both as to actions in the person's official capacity entitling the person to indemnification and advancement of



expenses under these provisions and as to actions in other capacities concurrently held by those seeking indemnification or advancement of expenses. However, no person shall be provided indemnification by any provision of the Articles of Incorporation or Bylaws, by any agreement, or otherwise, for any breach of a duty of loyalty to the Association or its Members, for any act or omission not in good faith or which involves intentional misconduct or knowing violation of the law, or for any transaction from which the person derives an improper personal benefit. The indemnification provided herein shall continue as to a person who has ceased to be a Member, director, officer, employee, volunteer or agent and shall inure to the benefit of the heirs, executors, personal representatives and administrators of such a person. The Board of Directors shall have power to purchase and maintain insurance on behalf of any person who is or was serving on behalf of or at the Association's request against any liability asserted against him and incurred by him in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions hereof.

#### **ARTICLE XIV. AMENDMENTS**

Section 1: Method. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds of Members with voting rights present in person or by proxy.

Section 2: Conflicts. In the 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.

#### **ARTICLE XV. MISCELLANEOUS**

Section 1: Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 2: Notice. Whenever notice is permitted to be given by mail or email notice shall be deemed to have been given when mailed. 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.

Adopted this 27<sup>th</sup> day of April, 2017.

  
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CONNIE NISSEN, Secretary