

BY-LAWS
OF
MILLSTONE ESTATES PROPERTY OWNERS ASSOCIATION

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BYLAWS
OF
MILLSTONE ESTATES PROPERTY OWNERS ASSOCIATION

ARTICLE I. OFFICES

SECTION 1. PRINCIPAL OFFICE. A principal office, if any, of the Corporation in the State of Nebraska shall be as designated by the Board of Directors. The Corporation may have such other offices, within or without the State of Nebraska, as the Board of Directors may designate or as the business of the Corporation may require.

SECTION 2. REGISTERED OFFICE. The registered office of the Corporation required by the Nebraska Nonprofit Corporation Act to be maintained in the State of Nebraska may be, but need not be, the same as the principal office in the State of Nebraska, and the address of the registered office may be changed by the Board of Directors.

ARTICLE II. DEFINITIONS

SECTION 1. “Property Owners Association” shall mean and refer to MILLSTONE ESTATES PROPERTY OWNERS ASSOCIATION, its successors and assigns, a mutual benefit corporation organized under and pursuant to the Nebraska Nonprofit Corporation Act as adopted and amended. The purpose of the Property Owners Association is to provide (i) for the maintenance, repair, and improvement of the Streets and Roadways within the Property, (ii) for the maintenance, preservation and control of the dwelling amenities within the Property, (iii) for the maintenance, repair, and improvements of the Surface Drainage Improvements within the Property, and (iv) for exercising the functions of such Association as set forth in the Covenants, Conditions and Restrictions applicable to the Property.

SECTION 2. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including mortgagees in possession and receivers or trustees in bankruptcy.

SECTION 3. “Property” shall mean and refer to Millstone Estates, being a subdivision of all of the Southeast Quarter of the Southwest Quarter (SE ¼ SW ¼) along with all of the Southwest Quarter of the Southeast Quarter (SW ¼ SE ¼) along with part of the Northwest Quarter of the Southeast Quarter (NW ¼ SE ¼) of Section 1, all lying in Township 17 North, Range 11 East of the 6th P.M., Washington County, Nebraska, more commonly known as Lots One (1) through Twenty-two (22) (“Lot” individually and “Lots” collectively) and such additions thereto as may hereafter be brought within the jurisdiction of the Property Owners Association.

SECTION 4. “Roadways” shall mean and refer to Old Mill Drive and Sundown Drive as shown upon the Final Plat of Millstone Estates which by this reference is incorporated herein.

SECTION 5. “Lot” shall mean and refer to any one of Lots 1 through 22 Millstone Estates, Washington County, Nebraska.

SECTION 6. “Surface Drainage Improvements” shall mean and refer to any improvements for the control of surface drainage and runoff; although referenced in the Covenants, there are no specified Surface Drainage Improvements located within the Property.

SECTION 7. "Covenants" shall mean and refer to that Declaration of Covenants, Conditions, Restrictions and Easements filed August 12, 2003, in the office of the Washington County Clerk, ex officio Register of Deeds in Book 414, at Pages 454 – 457, and as the same may be amended.

SECTION 8. "Member shall mean and refer to all Owners of record. Where there are one or more Owners of a Lot, each Owner shall be a Member.

ARTICLE III. PROPERTY RIGHTS

SECTION 1. OWNER'S EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Roadways which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Property Owners Association to suspend the voting rights of any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the By-Laws and/or the published rules and regulations of the Property Owners Association;
- B. The right of the Property Owners Association to dedicate or transfer all or any part of the Roadways to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.
- C. The Roadways are presently dedicated to the public but they have not been accepted by any governmental subdivision. They shall remain the property of the Property Owners Association as successor in interest to McGOWAN PROPERTIES, INC., a Nebraska corporation, being the developer of the Property, until such time, if ever, that there will be an annexation of the Property by a governmental subdivision, and an accompanying dedication and acceptance by such governmental subdivision. Inclusion of dedication language upon any plat filed with the County Clerk of Washington County, Nebraska, shall not effect a change, estoppels or waiver of the foregoing.
- D. The Property Owners Association, as successor in interest to McGOWAN PROPERTIES, INC., a Nebraska corporation, being the developer of the Property, shall forever and until annexation have the sole responsibility, and at its cost, to repair and maintain the Roadways within the Property, and to hold the public, the State of Nebraska, or any of its political subdivisions, harmless from the same.

SECTION 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the By-Laws of the Property Owners Association, his right of enjoyment to the Roadways to the members of his family, his tenants, or contract purchasers who reside on the Lots.

ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. Every Owner of a lot which is subject to assessment shall be a Member of the Property Owners Association, as will the Owner of Lot 22 (see Section 10 below). Membership in the Property Owners Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. VOTING RIGHTS. Members of the Property Owners Association shall be entitled to one

vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, however, there shall be only one vote per Lot, and in no event shall more than one vote for Property Owners Association matters be cast with respect to any Lot. Accordingly, if two or more persons are Members from a Lot, their acts with respect to voting shall have the following effect: (i) if only one votes, such act binds all; and (ii) if more than one votes, the vote shall be divided on a pro rata basis.

ARTICLE V. PROPERTY ASSESSMENTS

SECTION 1. LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Property Owners Association the following:

- A. Annual assessments or charges; and
- B. Special assessments for improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, if applicable, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ROADWAYS MAINTENANCE ASSESSMENTS. The roadways maintenance assessments levied by the Property Owners Association shall be used exclusively for the maintenance, repair, replacement, and improvement of the Roadways, including, but not limited to, expenses for grading, rock, drainage structures, culverts, snow removal, hard surfacing, etc., as well as insurance coverages associated therewith.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until January 1, 2006, the maximum annual assessment for Roadways maintenance shall be One Hundred Fifty dollars (\$150.00) per Lot.

- A. From and after January 1, 2006, each annual assessment may be increased by not more than Ten Dollars (\$10.00) per year over the annual assessment of the preceding year unless otherwise agreed by a vote of two-thirds (2/3) of each group of Members who are voting by person or proxy at a meeting duly called for this purpose.
- B. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENTS FOR IMPROVEMENT. In addition to the annual assessments authorized above, the Property Owners Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement, or improvement to the Roadways; PROVIDED THAT, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting by person or proxy at a meeting duly called for such purpose.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 AND 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required

quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments, with respect to all Lots, shall be uniform in amount. (Exception for Lot 22 – See Article V, Section 10). Annual Assessments shall be due in the month of January of each year unless otherwise established by the Board of Directors. Annual Assessment dues will be considered delinquent as of February 1st of each year. The time frame in which Special Assessments are collected will be determined by the Board of Directors.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. the Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Roadways to the Property Owners Association. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment not less than thirty (30) days in advance of the first month in which such Annual Assessment is to take effect. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The Property Owners Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Property Owners Association setting forth whether the assessments on a specified Lot have been paid.. A properly executed certificate of the Property Owners Association as to the status of assessments on a Lot is binding upon the Property Owners Association as of the date of its issuance.

SECTION 8. EFFECT OF NON-PAYMENT OF ASSESSMENTS/REMEDIES. Any assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Property Owners Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Roadway or abandonment of his Lot.

SECTION 9. SUBORDINATION OF LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure of any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 10. LOT 22 EXCEPTION TO ASSESSMENT. Notwithstanding any provision in these By-Laws to the contrary, there shall be no assessments, annual or otherwise, for Roadways maintenance, repair, or improvement, levied against Lot 22 for the reason that ingress and egress to Lot 22 is from and to a county road and not the Roadways, HOWEVER, Lot 22 may be subject to assessment for damages to the Roadways as set forth in ARTICLE VII SECTION 1. For ease of calculating the non-Roadway assessment amount owed by Lot 22, Lot 22's assessment shall be ten percent (10%) of the assessment levied for that year for Lots 1 through 21.

ARTICLE VI. INSURANCE

SECTION 1. PROPERTY OWNERS ASSOCIATION INSURANCE. The Property Owners Association shall purchase and provide liability insurance for the Property Owners Association and for its Members

with respect to the Roadways only, any such liability insurance for the protection of the Owners of any Lots being the responsibility of each Owner.

SECTION 2. BOARD OF DIRECTORS LIABILITY INSURANCE. In its discretion, the Property Owners Association shall obtain such liability insurance for the Directors as the Property Owners Association may deem appropriate, which liability insurance shall be treated and handled by the Property Owners Association as common expenses.

SECTION 3. ANNUAL REVIEW OF POLICIES. All insurance policies shall be reviewed at least annually by the Board of Directors of the Property Owners Association in order to ascertain whether the coverage contained in the policies is sufficient with respect to potential liability.

ARTICLE VII. MAINTENANCE AND REPAIR

SECTION 1. ROADWAYS. In the event that the need for maintenance or repair of the Roadways is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests, invitees, or tenants of an Owner, which acts shall include damages caused by vehicles loaded to a weight in excess of the posted weight limits passing over the Roadways, the cost of such maintenance or repair shall be added to and become part of the assessment to which such Owner and his lot(s) are subject.

ARTICLE VIII. ACCESS

SECTION 1. PROPERTY OWNERS ASSOCIATION ACCESS. The Property Owners Association, its officers, employees and agents, as well as contractors and repairmen designated by the Property Owners Association, shall have the right to go on any Lot for the purpose of performing maintenance and repair to the Roadways, making inspections and performing the duties of the Property Owners Association hereunder, and the Property Owners Association is hereby granted a specific easement for such purposes.

ARTICLE IX. MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of the Members shall be held in November of each year on a date designated by the Board of Directors, commencing 2005, which annual meeting shall be for the purposes of electing Directors and for the transaction of such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be not to exceed fifteen (15) days. As of year 2008, the annual meeting of Members shall be the 2nd Wednesday of November of each year at Washington County Bank, Blair, NE at 7 p.m. unless otherwise established by the Board of Directors. No other notice will be given for this Annual Meeting unless the date, time, or location is different than that indicated.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, the Board of Directors, or at the request in writing by Members holding not less than one-fourth (1/4) of the total votes eligible to be cast. If all the Members shall meet at one time and place, either in or out of the State of Nebraska, and consent to holding a meeting, such meeting shall be valid without a call or notice, and at such meeting any corporate action may be taken.

SECTION 3. PLACE OF MEETING. The Board of Directors may designate any place, within or without the State of Nebraska, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, the meeting shall be held at the registered office of the Property Owners Association in the State of Nebraska.

SECTION 4. NOTICE OF SPECIAL MEETING. Written or printed notice stating the place, day, and hour of any Special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the Special meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at his address as it appears on the membership records of the Property Owners Association or as supplied by such Member to the Property Owners Association, with first-class postage thereon prepaid.

SECTION 5. MEMBERSHIP RECORDS. The officer or agent having charge of the membership records of the Property Owners Association shall keep a current and complete list of Members, arranged in alphabetical order, with the address of each, which record, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Property Owners Association and shall be subject to inspection by any Member at any time during usual business hours. Such record, or a duplicate thereof, shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any Member during the whole time of the meeting. The original membership list shall be prima facie evidence as to who are the Members entitled to examine such list.

SECTION 6. QUORUM. Except as otherwise provided in the Articles of Incorporation or these By-Laws, a majority of the twenty-two (22) total votes eligible to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of the Members. If less than the required majority of votes are represented at a meeting, a majority of the Members present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of votes which results in less than a quorum.

SECTION 7. PROXIES. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Property Owners Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy, and every proxy shall be revocable and shall automatically cease upon conveyance of the Lot represented by the Member or Members.

SECTION 8. VOTING. All Members shall be entitled to participate in debate and to vote upon each matter submitted to a vote of the members. The election of Directors may be conducted by mail.

SECTION 9. INFORMAL ACTION BY MEMBERS. Any action required to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE X. BOARD OF DIRECTORS

SECTION 1. POWERS AND DUTIES. The business and affairs of the Property Owners Association shall be managed by its Board of Directors.

- A. The Board of Directors shall have power, specifically including, but not limited to:

1. Adopt and publish rules and regulations governing the use of the Roadways and other improvements belonging to the Property Owners Association, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
 2. Suspend the voting rights of a Member during any period in which the Owners represented by such Member shall be in default in the payment of any assessment levied by the Property Owners 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;
 3. Exercise for the Property Owners Association all powers, duties and authority vested in or delegated to this Property Owners Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation;
 4. 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
 5. Employ a manager, independent contractors, or such employees as they deem necessary, and to prescribe their duties.
 6. Adopt and publish dwelling amenities standards, rules, and regulations in conformity with and in furtherance of those set forth in the Covenants to maintain, preserve and control the dwelling amenities within the Property.
- B. It shall be the duty of the Board of Directors to:
1. Cause to be kept a complete record of all its acts and corporate affairs 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 Members holding not less than one-fourth (1/4) of the total votes eligible to be cast;
 2. Supervise all officers, agents, and employees of the Property Owners Association, and to see that their duties are properly performed;
 3. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 4. Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 5. Foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
 6. Issue, or to cause an appropriate officer to issue, upon demand by any Owner, 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;
 7. Procure and maintain liability insurance for the Property Owners Association and its Members with respect to the Roadways and other improvements or property owned by the Property Owners Association;
 8. Cause all officers or employees having fiscal responsibilities to be bonded, as may be deemed appropriate; and
 9. Cause the property of the Property Owners Association to be maintained and repaired.

SECTION 2. NUMBER, TENURE, AND QUALIFICATIONS. The number of Directors of the Property Owners Association shall be not less than three (3) and not more than five (5) as determined by the Members. Each Director shall hold office until the next annual meeting of Members and until his successor shall have been elected and qualified, unless removed from office in the manner provided in these By-Laws. Directors need not be either Members of the Property Owners Association.

SECTION 3. NOMINATION AND ELECTION.

- A. Any member of the Millstone Property Owners Association in good standing (All dues paid) may nominate themselves for election to the Millstone Board of Directors. Any non-member of the Millstone Property Owners Association that wants to be nominated for election to the Millstone Board of Directors must receive approval by at least 2/3 vote of the current Millstone Board of Directors. All nominations should be sent to the President of the Millstone Property Owners Association or his Board Member designee by October 15 of each year. Board of Director Election Ballots will then be created and sent out to all members by November 1 of each year. Ballots will be collected and tallied at the Annual Meeting in November and the new Board of Directors will be announced to the membership.
- B. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of directors to be elected, or by distributing such votes on the same principle among any number of such candidates. The persons receiving the largest number of votes shall be elected.

SECTION 4. REGULAR MEETINGS. Regular meetings of the Board of Directors, or any committee designated by such Board, shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the time and place, within or without the State of Nebraska, for the holding of additional regular meetings without other notice than such resolution.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board of Directors, or any committee designated by such Board, may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, within or without the State of Nebraska, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 6. NOTICE/WAIVER/PURPOSE.

- A. NOTICE. Notice of any special meeting shall be given at least three (3) days prior thereto by written or oral notice delivered personally or mailed to each Director at his business address or by telegram or by telephone. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.
- B. WAIVER. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- C. PURPOSE. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors, or any committee designated by such Board, need be specified in the notice or waiver of notice of such meeting.

SECTION 7. QUORUM. A majority of the number of Directors fixed by SECTION 2 of this ARTICLE X shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 8. MANNER OF ACTING.

- A. AT MEETING. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- B. INFORMAL ACTION. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting, if a consent in writing setting forth the action so taken shall be signed by all of the Directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote and may be executed by the Directors in counterparts.

SECTION 9. REMOVAL/VACANCIES. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Property Owners Association. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

SECTION 10. COMPENSATION. No Director shall receive any sum for attendance at meetings of the Board of Directors or a stated salary as Director, however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. Nothing contained herein shall preclude any Director from serving the Property Owners Association in any other capacity and receiving compensation therefor.

SECTION 11. PRESUMPTION OF ASSENT. A Director of the Property Owners Association who is present at a meeting of the Board of Directors at which action on any Corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Property Owners Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 12. COMMITTEES OF THE BOARD OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from its members an executive committee and one or more other committees each of which shall have and may exercise all authority of the Board of Directors, but no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the bylaws; electing, appointing or removing any member of any such committee or any director or officer of the Property Owners Association; amending the Articles of Incorporation, adopting a plan or merger or consolidation, authorizing the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all the property and assets of the Property Owners Association; authorizing the voluntary dissolution of the Property Owners Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Property Owners Association; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

ARTICLE XI. ORDER OF BUSINESS/RULES OF ORDER.

SECTION 1. ORDER OF BUSINESS. The order of business at all meetings of Members and Directors shall be:

- A. Call to order.

- B. Minutes of previous meeting.
- C. Reports of officers, boards, standing committees.
- D. Reports of special committees.
- E. Announcements.
- F. Unfinished business.
- G. New business.
- H. Adjournment.

SECTION 2. RULES OF ORDER. Except as otherwise provided in the Articles of Incorporation or these By-Laws, the latest edition of ROBERT'S RULES OF ORDER shall determine procedure in all meetings of the Members and the Board of Directors.

ARTICLE XII. OFFICERS

SECTION 1. NUMBER. The officers of the Property Owners Association shall be a President, one or more vice-presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Property Owners Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. New Directors are considered inducted into service for the period January 1 to December 31. The timeframe between the annual November meeting and January 1 is to allow for training of the new Directors by the old Directors and a transition of records according to office.

SECTION 3. REMOVAL. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Property Owners Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. A vacancy in an office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. PRESIDENT.

- A. The President shall be the principal executive officer of the Property Owners Association, and, subject to the control of the Board of Directors, in general, supervise and control all of the business and affairs of the Property Owners Association, and shall be ex-officio member of all committees.
- B. When present, the President shall preside at all meetings of the Members and the Board of Directors;

- C. The President shall sign, with the Secretary or Treasurer or any other proper officer of the Property Owners Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Property Owners Association, or shall be required by law to be otherwise signed or executed;
- D. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE PRESIDENT.

- A. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President (or, in the event there be more than one Vice-President, Vice-Presidents in order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting, shall have all the powers of and be subject to all the restrictions upon the President;
- B. The Vice-president shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 7. SECRETARY. The Secretary shall:

- A. Keep the minutes of the meeting of the Members and the Board of Directors in one or more books provided for that purpose;
- B. See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;
- C. Keep a register of the mailing address of each Member and Member which shall be furnished to the Secretary by such Member;
- D. Have general charge of the membership records of the Property Owners Association;
- E. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 8. TREASURER. The Treasurer shall:

- A. If required by the Board of Directors, give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine;
- B. Have charge and custody of and be responsible for all funds and securities of the Property Owners Association from any source whatsoever, and deposit all such monies in the name of the Property Owners Association in such banks, trust companies or other depositories as shall be selected in accordance with provisions of ARTICLE XII of these By-Laws;
- C. File the Federal Income Tax return, 1120-H, U.S. Income Tax Return for Homeowners Associations, and the State Income Tax return, 1120N, Nebraska Corporation Income Tax Return associated with the calendar year that the Treasurer was in office. Must also provide a copy of the returns filed to the new Treasurer.

- D. Provide information to the Registered Agent for the Association and pay the fee associated with filing the Nonprofit Corporation Biennial Report required by the Secretary of State of the State of Nebraska.
- E. In general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the president or by the Board of Directors.

SECTION 9. SALARIES. The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also Director of the Property Owners Association.

ARTICLE XIII. CONTRACTS/LOANS/CHECKS AND DRAFTS/DEPOAITS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Property Owners Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

No loans shall be made by the Property Owners Association to its officers, Directors, or Members.

SECTION 3. CHECKS AND DRAFTS. All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Property Owners Association, shall be signed by such officer or officers, agent or agents of the Property Owners Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. DEPOSITS. All funds of the Property Owners Association not otherwise employed shall be deposited from time to time to the credit of the Property Owners Association in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE XIV. FISCAL YEAR

The Property Owners Association fiscal year shall end on the last day of December.

ARTICLE XV. SEAL.

The Property Owners Association shall not have a seal.

ARTICLE XVI. WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Property Owners Association under the provisions of these By-Laws, or under the provisions of its Articles of Incorporation, or under the provisions of the Nebraska Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE XVII. ENFORCEMENT

The Property Owners Association, or any Member, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the By-Laws, or under the provisions of its Articles of Incorporation, or the Covenants. Failure by the Property Owners Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XVIII. INDEMNIFICATION/INSURANCE

The Property Owners Association shall indemnify every Director and officer, his heirs and personal representatives against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Property Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors may determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Property Owners Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Property Owners Association as common expenses; provided, however, that nothing in the Article XVII shall be deemed to obligate the Property Owners Association to indemnify any Member or Owner of a Lot who is or has been a Director or officer of the Property Owners Association, with respect to any duties or obligations assumed or liabilities incurred by him and by virtue of being a Member of the Property Owners Association or Owner of a Lot.

ARTICLE XIX. AMENDMENT OF BY-LAWS

These By-Laws may be amended or repealed, and new By-Laws may be adopted by the Board of Directors or the Members.