

**BYLAWS
OF
THE COTTONWOOD CREEK HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION; APPLICABILITY**

Section 1. Name and Location. The Cottonwood Creek Homeowners Association (the "Association") is a Nebraska non-profit corporation. The principal office of the Association shall be located at such place as the Board of Directors shall from time to time designate.

Section 2. Application. All present and future owners, mortgagees, lessees and occupants of the Lots and their employees, and any other persons who may use the facilities of the Association in any manner are subject to these Bylaws and rules and regulations pertaining to the use and operation thereof. The acceptance of a deed or conveyance, or the execution of a lease, or the act of occupancy of any Lot shall constitute an acceptance of and agreement to comply with the provisions of these Bylaws.

**ARTICLE II
PURPOSE**

These Bylaws, in conjunction with the Declaration and the Association's Articles of Incorporation, provide for the governance of the Association.

**ARTICLE III
DEFINITIONS**

Section 1. Act. "Act" shall mean the Nebraska Nonprofit Corporation Act, as amended.

Section 2. Association. "Association" shall mean the Cottonwood Creek Homeowners Association, a Nebraska nonprofit corporation, its successors and assigns.

Section 3. Common Facilities. "Common Facilities" shall mean facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include recreational facilities such as swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green area; sewers, drainage structures, drainage ways and appurtenances thereto; and signs and entrances for Cottonwood Creek. Common Facilities may be situated on property owned or leased by the Association, or on dedicated property.

Section 4. Declarant. "Declarant" shall mean Big Sky Development Group, LLC, a Nebraska limited liability company.

Section 5. Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Easements and Restrictions for Cottonwood Creek, filed for record on

December 11, 2006 in Book 501 at Page 270 in the office of the Register of Deeds of Washington County, Nebraska, and all amendments thereto.

Section 6. Lot. "Lot" or "Lots" shall mean each or all of the following Lots:

Lots 1 through 65, inclusive, Cottonwood Creek, a subdivision, as surveyed, platted and recorded in Washington County, Nebraska.

In Article III, Section 2 of the Declaration, the Declarant reserves the right to expand the property subject to the Declaration to include additional contiguous land in Washington County, Nebraska. In the event the Declarant exercises its rights in this regard, the additional lots shall be considered to be included in the "Lots" for purposes of these Bylaws, and the Owners of such additional Lots shall be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the Association.

Section 7. Member. "Member" shall mean any Owner; provided, however, to the extent an Owner consists of more than one Person, all such Persons shall be Members of the Association.

Section 8. Owner. "Owner" shall mean the record owner, whether one or more Persons, having a fee simple title to any Lot but excluding any person or entity having such interest merely as security for the performance of an obligation. A purchaser of a Lot under a land contract or similar instrument shall be deemed to be an owner of the Lot for purposes of these Bylaws.

Section 9. Person. "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other entity of whatever nature.

Section 10. Voting Lot. "Voting Lot" or "Voting Lots" shall have the meaning set forth in Article V, Section 6.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number and Qualification. The initial Board of Directors shall be composed of not fewer than three (3) nor more than six (6) directors, all of whom shall be designated by the incorporators of the Association. Such directors shall serve until the first annual meeting of the Members, or until their successors are duly elected and qualified.

After the first annual election, the Board of Directors shall be composed of not fewer than three (3) nor more than nine (9) directors, each of whom shall be an Owner, an executive officer of a corporate Owner, a partner of a partnership Owner, or a manager or officer of a limited liability company Owner.

Section 2. Powers and Duties. The Board of Directors shall have the powers conferred upon non-profit corporations by the Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and, upon authorization of the Board of Directors, by the officers, shall include but shall not be limited to, the following:

(a) The development, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities;

(b) The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of the Declaration;

(c) The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to, purchase of insurance covering any Common Facility against property damage and casualty, and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members;

(d) The exercise of all of the powers and privileges and performance of all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time;

(e) The acquisition by purchase or otherwise, holding, or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association;

(f) The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like;

(g) The employment of professionals and consultants to advise and assist the officers and Board of Directors in the performance of their duties and responsibilities for the Association;

(h) General administration and management of the Association, and execution of such documents and doing and performance of such acts as may be necessary or appropriate to accomplish such administration and management; and

(i) The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

Section 3. Election and Term of Office. Directors shall be elected at the first annual meeting of the Members. Directors shall serve two (2) year terms.

Section 4. Removal of Board of Directors. At any regular or special meeting of Members, any one or more of the directors may be removed with or without cause by the affirmative vote of two-thirds of the Voting Lots and a successor may then and there or thereafter

be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal by a vote of the Members, shall be filled by a vote of a majority of the remaining directors at a special meeting held for that purpose, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a director for the remainder of the term of the director so removed and until a successor shall be elected at an annual meeting of the Members.

Section 6. Annual Meeting. The annual meeting of the Board of Directors shall be held within ten (10) days following the annual meeting of the Members, at such time and place as shall be fixed by the Members at the meeting. No notice shall be necessary to the newly elected Board of Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present at such meeting.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail, at least three (3) business days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on three business days' notice to each director, given by mail, 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 on like notice on the written request of at least three (3) directors.

Section 9. Waiver of Notice and Consents in Lieu of Meetings. Any director 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 director at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Business may be transacted and approved by the Board of Directors in the form of a written consent in lieu of a regular or special meeting provided all of the directors shall have executed such written consent.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the 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 there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

email votes?

Section 11. Fidelity Bonds. The Board of Directors may obtain fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums for such bonds shall constitute a common expense.

Section 12. Compensation. No director shall receive any compensation for acting as such; provided, however, the directors may be reimbursed for any reasonable expenses incurred on behalf of the Association at the direction of the Board.

Section 13. Liability of the Board of Directors. The directors shall not be liable to the Members for any mistake of judgment, or otherwise, except for their own individual willful misconduct. The Association shall, to the extent permitted by the Act, indemnify and reimburse all persons whom it may indemnify and reimburse pursuant thereto. Notwithstanding the foregoing, the indemnification provided for in this section shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any Bylaw of this Association, agreement, vote or consent of Members or disinterested directors or otherwise. It is intended that the directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Agreements made by the Board of Directors or by the managing agent or by the manager on behalf of the Association may provide that the directors or the managing agent, or the manager, as the case may be, are acting only as agents for the Members and shall have no personal liability thereunder.

ARTICLE V MEETINGS OF MEMBERS; VOTING RIGHTS

Section 1. Annual Meetings. The annual meeting of the Members shall be held at such time and place as may be designated by the Board of Directors from time to time.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon a petition signed and presented to the Secretary on behalf of at least seventy-five percent (75%) of the Voting Lots.

Section 3. Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other place as may be designated by the Board of Directors from time to time.

Section 4. Notice of Meetings. Written notice of each 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 the notice of meeting, postage prepaid, at least ten (10) but no more than (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member a notice of each annual or special meeting of the Members at the address of the Lot or at such other address as such Member shall have designated by notice in writing to the Secretary.

Section 5. Quorum. Except as otherwise provided in the Declaration, these Bylaws or the Act, the presence in person or by proxy of at least one-tenth of the Voting Lots shall constitute a quorum at all meetings of the Members. If, however, such quorum shall not be

present to represent the Members at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 6. Voting. Each Lot shall be entitled to one (1) vote on all matters coming before the membership of the Association. When an Owner of a Lot consists of more than one Person, the voting for the Lot shall be exercised by a single representative of the Owner of the Lot who has been designated for such purpose in a written notice received by the Board of Directors (an "Owner Representative"). In the event any Owner fails to appoint an Owner Representative in the manner provided above, there shall be no votes cast with respect to such Lot until an Owner Representative is so appointed. An Owner or Owner Representative, as applicable, may designate a Person to act as proxy on his or her behalf. The designation of 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 Owner Representative so designating. No vote may be cast on behalf of a Lot unless all dues, charges or assessments of the Association with respect to such Lot have been paid current to the date of any election or to the time of casting such vote. All Lots with respect to which votes are entitled to be cast shall be referred to in these Bylaws as "Voting Lots."

Section 7. Majority Vote. The affirmative vote of a majority of the Voting Lots at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required by law, or by these Bylaws.

ARTICLE VI OFFICERS

Board plus officers

Section 1. Enumeration of Officers. The officers of this Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers from time to time as in its judgment may be necessary. The President and Treasurer must be members of the Board of Directors.

Section 2. Election and Term. The officers of the Association shall be elected at the annual meeting of the Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Resignation and Removal. 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. Any officer may resign at any time by giving written notice to the Board of Directors. 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 acceptance of such resignation shall not be necessary to make it effective.

Section 4. Vacancies. A vacancy in any office may be filled by appointment of the Board of Directors. The officer appointed to this vacancy shall serve for the remainder of the term of the officer he or she is replacing.

Section 5. 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 other offices except in the cases of special offices created pursuant to this article.

Section 6. Duties. The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board of Directors and the Members and shall have all of the general powers and duties which are normally incident to the office of president of a corporation organized under the Act.

Vice President

The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act and shall exercise and discharge all other duties that may be required by the Board of Directors or the President.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; have charge of such books and papers as the Board of Directors may direct; and perform all the duties normally incident to the office of secretary of a corporation organized under the Act.

Treasurer

The Treasurer shall have the responsibility for Association 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 statements. The Treasurer shall be responsible for the deposit 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 designate by the Board of Directors, and he or she shall, in general, perform all duties normally incident to the office or treasurer of a corporation organized under the Act.

ARTICLE VII
ASSESSMENTS; OPERATION OF COMMON FACILITIES

Section 1. Determination of Dues and Assessments. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association and establish the amount of dues and assessments. The amount of the dues and assessments and the expenditure of funds by the Association shall be governed by applicable provisions of the Declaration. The Board shall advise each Owner in writing of the amount of dues and assessments payable by him, and shall furnish copies of each budget on which such dues and assessments are based to all owners and to their mortgagees who request a copy in writing.

Property

Section 2. Delinquent Dues or Assessments. Any installment of dues or assessment which is not paid when due shall be deemed delinquent. Delinquent dues or assessments shall bear interest from the due date at the rate of 16% per annum, as more particularly described in the Declaration.

Section 3. Maintenance and Repair. Except as otherwise provided in the Declaration, all maintenance, repairs, and replacements to the Common Facilities (unless necessitated by the negligence, misuse, or neglect of an Owner, in which case such expense shall be charged to such Owner), shall be made by the Association and be charged to all the Owners as provided in the Declaration.

Section 4. Abatement of Dues and Assessments. Notwithstanding any provisions of these Bylaws or the Declaration to the contrary, the Board of Directors may abate all or part of the dues and assessments due in respect of any Lot and shall abate all dues and assessments due in respect of any Lot during the period such Lot is owned by the Declarant.

Section 5. Notice of Unpaid Dues or Assessments. The Board of Directors shall, upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid as of the date of the request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof.

ARTICLE VIII BOOKS AND RECORDS

The Board of Directors shall keep reasonably detailed records of the actions of the Board of Directors, minutes of meetings of the Board of Directors and the Members, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Lot which, among other things, shall contain the amount of dues and assessments against such Lot, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board of Directors to all Members at least annually. The Declaration, the Articles of Incorporation and these Bylaws 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 IX MISCELLANEOUS

Section 1. Notices. All notices to the Board of Directors shall be sent by certified mail, receipt requested, in care of the President, or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Members shall be sent by regular mail. All notices to mortgagees of Lots, shall be sent by regular U.S. mail to their respective addresses, as designated by them from time to time, in writing to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of

change of address which shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Construction. These Bylaws are intended to comply with all of the applicable provisions of the Act and shall be so interpreted and applied.

ARTICLE X AMENDMENTS

Except as otherwise provided, these Bylaws may be modified or amended by the affirmative vote of a majority of the Voting Lots.