

**ARTICLES OF INCORPORATION OF
THE PALISADES HOMEOWNERS ASSOCIATION**

In compliance with the requirements of the Nebraska Nonprofit Corporation Act, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

Name

The name of the corporation is The Palisades Homeowners Association, hereafter called the "Association."

ARTICLE II

Mutual Benefit Corporation

The Association is a mutual benefit corporation and the Association will have members.

ARTICLE III

Principal Office

The principal office of the Association is located at 9719 Giles Road, Omaha, Nebraska 68128.

ARTICLE IV

Registered Agent and Office

Timothy W. Young, is hereby appointed the initial registered agent of this Association and the registered office of the Association is located at 9719 Giles Road, Omaha, Nebraska 68128.

ARTICLE V

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots within that certain tract of property described as:

Lots One (1) through One Hundred Two (102), and Lots One Hundred Sixty (160) through Four Hundred Twenty (420), inclusive, in THE PALISADES, a subdivision as surveyed, platted and recorded in Sarpy County, Nebraska,

and to promote the health, safety and welfare of the residents within the above-described property and of the homes situated on the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association by the Declarant, for this purpose to:

a. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions and Easements of The Palisades, and any amendments and/or restatements thereto, hereinafter collectively called the "Declaration," applicable to the property and recorded or to be recorded in the Offices of the Register of Deeds of Sarpy County, Nebraska, said Declaration and amendments and/or restatements being incorporated herein as if set forth at length:

b. fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

c. acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

d. borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e. participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall have the assent of the Declarant or of two-thirds (2/3) of the members of the Association;

f. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Nebraska by law may now or hereafter have or exercise.

ARTICLE VI

Membership

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to land may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and 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. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to twenty (20) votes for each Lot owned.

ARTICLE VII
Board of Directors

The affairs of this Association shall initially be managed by a Board of three (3) Directors, who need not be members of the Association or be Owners. The number of directors may be changed by amendment of the By-Laws of the Association. The initial directors shall be:

Timothy W. Young	9719 Giles Road, LaVista, Nebraska 68128
Mark A. Boyer	9719 Giles Road, LaVista, Nebraska 68128
Cassandra Petersen	9719 Giles Road, LaVista, Nebraska 68128

ARTICLE IX
Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two thirds (2/3) of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X
Duration

The corporation shall exist perpetually.

ARTICLE XI
Amendments

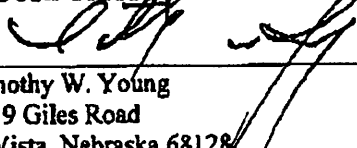
Amendment of these Articles shall require the assent of a majority of the Board of Directors.

ARTICLE XII
Incorporator

Timothy W. Young, of 9719 Giles Road, LaVista, Nebraska 68128 is the sole incorporator of this Association.


IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Nebraska, I, the undersigned, constituting the sole incorporator of this Association, have executed these Articles of Incorporation this 24 day of MAY 2006.

INCORPORATOR AND DIRECTOR:



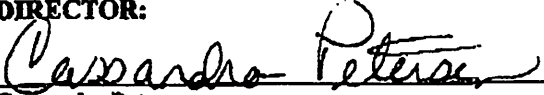
Timothy W. Young
9719 Giles Road
LaVista, Nebraska 68128

DIRECTOR:



Mark A. Boyer
9719 Giles Road
LaVista, Nebraska 68128

DIRECTOR:



Cassandra Petersen
9719 Giles Road
LaVista, Nebraska 68128

**CONSENT OF DIRECTORS IN LIEU OF ORGANIZATIONAL MEETING
OF THE PALISADES HOMEOWNERS ASSOCIATION**

The undersigned, constituting all of the directors of The Palisades Homeowners Association, a Nebraska nonprofit corporation, hereby unanimously consent in writing to the adoption of the following resolutions:

BE IT RESOLVED, that the By-Laws, attached hereto as Exhibit "A," are hereby adopted as the bylaws of this corporation and such By-Laws shall be kept at the principal office of this corporation and open to inspection by the stockholders at all reasonable times during office hours.

BE IT RESOLVED that the officers of this corporation shall be as follows: Tim Young shall serve as President; Cassandra Petersen shall serve as Vice-President; and Mark Boyer shall serve as Secretary/Treasurer.

BE IT RESOLVED that the President and Treasurer shall have the authority to deposit and withdraw funds on behalf of the corporation from any federally insured financial institution at his discretion.

BE IT RESOLVED, that the President, Secretary and Treasurer of the corporation, be, and hereby are, authorized to enter into and execute for and on behalf of the corporation, contracts, bids, offers, bonds, deeds and conveyances of every kind and other instruments for the carrying out the business and purposes of the corporation.

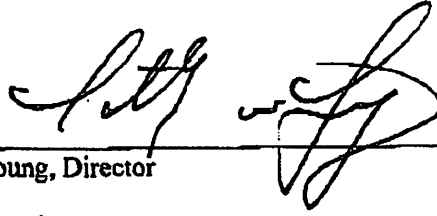
BE IT RESOLVED, that the fiscal year of this corporation shall be on a calendar year basis, ending on the 31st day of December in each year.

BE IT RESOLVED, that the annual assessment for each Lot abutting any amenity within The Palisades (Lots 5 - 22, inclusive, and Lots 64 - 102, inclusive) for the period of January 1, 2006 through December 31, 2006 shall be \$400.00 which shall be due and payable by each Lot owner on the earlier of January 1, 2006 or the closing of such Lot with its first residential owner.

BE IT RESOLVED, that the annual assessment for each Lot not abutting any amenity within The Palisades (all those except as listed in the preceding paragraph) for the period of January 1, 2006 through December 31, 2006 shall be \$125.00 which shall be due and payable by each Lot owner on the earlier of January 1, 2006 or the closing of such Lot with its first residential owner.

BE IT RESOLVED, that the Treasurer be and he hereby is authorized to pay all fees and expenses incident to and necessary for the organization of the corporation.

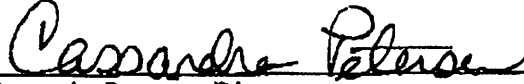
Dated this 26 day of MAY 2006.



Tim Young, Director



Mark Boyer, Director



Cassandra Petersen, Director

**FIRST AMENDED BY-LAWS OF THE PALISADES
HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME AND LOCATION. The name of the Corporation is The Palisades Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 280 North 115th Street, Omaha, Nebraska 68154-2521, 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 The Palisades Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property defined and described in the Declaration of Covenants, Conditions and Restrictions of The Palisades, any amendments and/or restatements thereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declarant" shall mean and refer to Palisades Development, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, as the same may be amended and/or restated from time to time, applicable to the Properties recorded in the Office of the Register of Deeds in Sarpy County, Nebraska.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock, P.M., or on such date, such time and location as may be set by the Board of Directors. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 written request of the members who are entitled to vote of fifty-one (51%) percent of all of the votes of the Class A membership.

Section 3. 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 such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of 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.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten (10%) percent of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of the 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 Lot.

ARTICLE IV

Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors of at least three (3) Directors nor more than five (5) Directors, who need not be members of the Association or Owners.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such Nominations may be made from among the members or non-members.

Section 2. Election. Election to the Board of Directors may be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice at such date, place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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 or consented to by all of the directors in writing shall be regarded as the act of the Board.

ARTICLE VII
Powers and Duties of the Board of Directors

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

a. 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 the infraction of published rules and regulations;

b. 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 By-Laws, the Articles of Incorporation, or the Declaration;

c. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

d. Employ a management company, 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 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 fifty-one (51%) percent of the Class A members who are entitled to vote;

b. Supervise all officers, 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. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and abate assessments for Lots owned by the Declarant;

2. Send written notice of each assessment, to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

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 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. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

f. As more fully provided in the Declaration, to:

1. Repair any lakes/ponds, walkways, entryway monumentation, fence, signs and landscaping which have been installed in easement or other areas of the The Palisades subdivision and center islands dividing dedicated roads, in generally good and neat condition;

2. Maintain Outlots A, B, C and D, The Palisades;

3. Provide such other services or maintenance as may be deemed appropriate by the Board or by a two-thirds (2/3) vote of the Association.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a 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 by resolution 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.

Exhibit A

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may select such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have 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 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/she 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 resolutions of the Board are carried out.

Vice-President

b. The vice-president shall act in the place and stead of the president in the event of his 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; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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 resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX
Committees

The Association may appoint an Architectural Control Committee, if Declarant assigns its right of architectural review under the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

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 By-Laws 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 XI
Assessments

As more fully provided in the Declaration, each member, with the exception of the Declarant, is obligated to pay to the Association annual assessments which are secured by a continuing lien on the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum rate of interest allowable by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

ARTICLE XII
Amendments


Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

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


ARTICLE XIII
Miscellaneous

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, except that the first fiscal year shall begin on the date of incorporation.

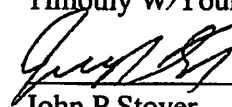
IN WITNESS WHEREOF, the undersigned, constituting all of the Directors of the Board, have approved these By-Laws this 4 day of February 2013.



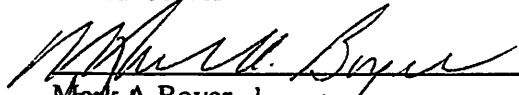
Ronald Osborn



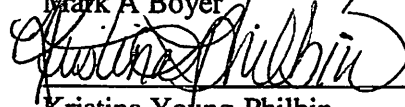
Timothy W. Young



John P. Stover



Mark A. Boyer



Kristina Young-Philbin

BY-LAWS OF THE PALISADES HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is The Palisades Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 9719 Giles Road, LaVista, Nebraska 68128, 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 The Palisades Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property defined and described in the Declaration of Covenants, Conditions, Restrictions and Easements of The Palisades, any amendments and/or restatements thereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declarant" shall mean and refer to Palisades Development, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements of The Palisades, as the same may be amended and/or restated from time to time, applicable to the Properties recorded in the Office of the Register of Deeds of Sarpy County, Nebraska.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock, p.m. or at such other date, time and place as determined by the Board of Directors. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 written request of the members who are entitled to vote of fifty-one (51%) percent of all of the votes of the Class A membership.

Section 3. 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 such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of 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.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. 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 Lot.

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) nor more than five (5) directors, who need not be members of the Association or Owners. The Declarant shall appoint the initial directors who shall serve until the first annual meeting.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee, if so utilized, shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee, if so utilized, shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it may in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors may be by secret written ballot or such other manner as determined by a majority vote of the members present at such election and entitled to vote. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such date, place and hour as may be fixed from time to time by the President or by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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 or consented to by all of the directors in writing shall be regarded as the act of the Board.

ARTICLE VII
Powers and Duties of the Board of Directors

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

a. 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;

b. 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 By-Laws, the Articles of Incorporation, or the Declaration;

c. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

d. employ a management company, 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 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 fifty-one (51%) percent of the Class A members who are entitled to vote;

b. supervise all officers, 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. fix the amount of the annual assessment against each Lot for each annual assessment period and abate assessments for Lots owned by the Declarant and its designated builders;

2. send written notice of each assessment, to every Owner subject thereto for each annual assessment period; and

3. 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, or to 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 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. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

f. as more fully provided in the Declaration, to:

1. Maintain and repair any fence, signs, decorative street lighting and landscaping which have been installed in easement areas of The Palisades subdivision and center islands dividing dedicated roads, in generally good and neat condition; and

2. Carry out other mandatory duties as designated in the Declaration.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a 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 by resolution 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 (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may select such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have 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 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/she 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 resolutions of the Board are carried out.

Vice-President

b. The vice-president shall act in the place and stead of the president in the event of his 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; keep the corporate seal of the Association, if so utilized, and affix it on all papers requiring said seal; 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 resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

Committees

The Association may appoint an Architectural Control Committee, if Declarant assigns its rights of architectural review under the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

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 By-Laws 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 XI
Assessments

As more fully provided in the Declaration, each member, with the exception of the Declarant, is obligated to pay to the Association annual assessments which are secured by a continuing lien on the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid when due, the assessment shall bear interest from the date of delinquency at the rate of sixteen (16%) percent per annum or the maximum rate of interest allowable by law, whichever is less, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

ARTICLE XII
Amendments

Section 1. These By-Laws may be amended by a majority vote of the Board or at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

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

ARTICLE XIV
Miscellaneous

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, except that the first fiscal year shall begin on the date of incorporation.