

BY-LAWS
OF
THE WOODLANDS OWNERS ASSOCIATION NO. 1

These are the By-laws of The Woodlands Owners Association No. 1 (hereinafter referred to as "Association"), a corporation organized pursuant to Chapter 504A of the Code of Iowa for the purpose of owning and administering certain common areas and the improvements located on the real property described on Exhibit A attached hereto for the benefit of the owners and their successors of the real property described on Exhibit B attached hereto, all in accordance with and pursuant to the Master Declaration of Covenants for The Woodlands No. 1, dated _____, 1989, and recorded in Book _____, Page _____ in the records of the Recorder of Polk County, Iowa (hereinafter referred to as "Declaration").

I.

MEMBERS AND VOTING RIGHTS

1. A. Membership. The owner or owners of the real property described on Exhibit B attached hereto or any subdivisions thereof shall be members of the Association; provided, however, in the event that any portion of the property described on Exhibit B is submitted to a horizontal property regime (condominium) or an owners association is established in connection with an attached housing development, the owners association or counsel of co-owners shall be the member in this Association. Membership shall be appurtenant to the ownership of the real property and shall be indivisible from such ownership.
- B. Voting Rights. Each member of the Association shall have a right to vote concerning the affairs of the Association. The number of votes for each member shall be determined in accordance with the provisions of the Declaration. In no event shall any allocation of votes in accordance with the Declaration deny the right of each lot having at least one vote.
2. An owner of record shall be recognized as a member without further action for so long as he or she owns an ownership interest. If ownership is acquired but not of record, or if acquired other than by way of conveyance or other formal instrument of transfer (such as by death, judicial act or dissolution), the person acquiring or succeeding to ownership shall present to the Association evidence satisfactory to it of facts evidencing lawful ownership status prior to the exercise of any rights as a member of the Association. Failure to provide such evidence shall not, however, relieve any owner of his membership obligations. A fiduciary or other official acting in a representative capacity shall exercise all membership rights and privileges of the owner which he or she represents.

3. If more than one person is an owner of the same property, all such owners shall be members and remain jointly and severally liable for all membership obligations. In such cases, or if more than one fiduciary or other official is acting in the premises, the votes entitled to be cast by the owner of that property shall be cast by the person named for the purpose on a certificate signed by all such owners or fiduciaries or other officials and filed with the Association, and such person shall be deemed to hold votes appurtenant to such unit for the purposes of voting and determine the representation of such property owner at any meeting or for purposes otherwise provided herein. If such certificate is not executed and filed with the Association, such membership shall not be in good standing and the vote or votes appurtenant to that property shall not be considered in determining a quorum or any vote or for any other purpose until this Bylaw is complied with. Such certificate shall continue in force until revoked in writing and filed with the Association's secretary.

II. MEMBERS' MEETINGS

1. The annual and any special meeting shall be held at a time and at a place within Polk County, Iowa, chosen by the Board of Directors, and all such meetings, annual or special, shall be held at such particular time and place as is set forth in the Notice thereof. The first annual meeting shall be held in calendar year 1990.

2. A special meeting shall be held whenever called by the President, or, in his absence or disability, the Vice President, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast 33 1/3% of the votes of the entire membership.

3. The Secretary or his designate shall give written notice to each member of the annual meeting. The person or persons calling a special meeting pursuant to paragraph 2 shall give like written notice of such special meeting. All notices shall set forth the time and place and purpose or purposes for which the meeting will be held. No action shall be taken at a special meeting which is not directly related to the purpose or purposes stated in the notice of meeting for which such meeting is held.

4. Notice of a members' meeting shall be given by mailing or delivering the same not less than ten (10), nor more than thirty (30), days prior to the date of the meeting. Notice shall be deemed duly given if mailed by first class mail to the member at the address of his property within the the property described on Exhibit B, unless at the time of giving such notice he has given written direction, delivered to an officer or member of the Board of Directors, specifying a different mailing address to be carried on the rolls of the Association. If more than one person is an owner of the same parcel of real property or if more than one fiduciary or other official is acting in the premises, notice shall be deemed given when given in accordance with this paragraph to the person named in the certificate filed with the Association in accordance with paragraph 3 of Article I. Notice of any

meeting may be waived in writing by the person entitled thereto. Notice given pursuant hereto shall be sufficient if given to all such owners of record with the Association Secretary as of the date of mailing.

5. A quorum at a members' meeting shall consist of the presence of members or other persons in person or by proxy, holding a majority of votes outstanding. The acts carried or approved by a vote of a majority of the votes represented at a meeting at which a quorum is present shall constitute the acts of the members unless a different rule is provided herein or by the Articles of Incorporation, or other agreement to which the Association is a party. The President, or, in his absence or disability, the Vice President shall preside at each members' meeting; if neither the President or the Vice President is available to preside, a chairman shall be elected by the members present at such meeting. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements herein and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided such subsequent meeting shall be held within sixty (60) days following such preceding meeting.

6. At any membership meeting, the presence of an owner and the exercise of the voting rights of an owner or person entitled to cast votes, by proxy shall be permitted and recognized provided such proxy must be in writing and signed by the person holding membership or entitled to cast votes and shall set forth the legal description of the property with respect to which such rights are appurtenant, the number of votes appurtenant thereto and the period for which the proxy is to be in force and effect. The decision of the Board of Directors as to the sufficiency of any proxy for recognition shall be final and not subject to appeal to the members.

7. At all meetings the order of business shall consist of the following:

- A. Election of chairman, if required.
- B. Calling roll and certifying of proxies.
- C. Proof of notice of meeting or waiver of notice.
- D. Reading and disposal of unapproved minutes.
- E. Reports of officers, if applicable.
- F. Reports of committees, if applicable.
- G. Election of Directors, if applicable.
- H. Unfinished business.
- i. New business.

III. BOARD OF DIRECTORS

1. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) directors. The initial Board shall consist of such person(s) as the Declarant may appoint and need not be members of the Association. The initial Board shall serve until the first annual members' meeting following the sale of all the property described on Exhibit B or the 15th day of October, 1997, whichever first occurs. From and after such first annual meeting of the

members, the Board of Directors shall be selected from the members of the Association. An officer or designated agent of a corporate member qualifies to serve as a Director.

2. At the first such annual members' meeting and each meeting thereafter, not less than three (3) nor more than seven (7) Directors shall be elected and the term of office of each Director shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner as elsewhere provided.

3. Each Director shall be elected by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast at the annual meeting of the members of the Association. Each person entitled to vote shall be entitled to vote for as many nominees as there are vacancies to be filled by election and each member shall be elected by separate ballot (unless provided otherwise by unanimous consent of the members).

4. Except as provided in Paragraph 5 of this Article, vacancies in the Board of Directors may be filled until the date of the next annual meeting by a vote of a majority of the Directors remaining in office regardless of whether those remaining constitute a quorum.

5. The initial Directors shall be subject to removal only by Mid-America Investment Co. Thereafter a Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting called for that purpose. The vacancy in the Board of Directors so created shall be filled by the persons entitled to vote at the same meeting.

6. The initial Directors, and officers selected by the initial Directors, shall serve without compensation; thereafter, Directors shall receive such compensation and expenses as is approved by the persons entitled to vote at any annual or special meeting.

7. An organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected. No further notice of the organization meeting shall be necessary.

8. A majority of the Board may, by resolution, set the time and place for regular meetings of the Board and no notice thereof shall be required until such resolution is modified or rescinded. Special meeting of the Directors may be called by the President, Vice President, or any two Directors provided not less than two days' notice shall be given, personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

9. A quorum, at a Directors' meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting duly called at which a quorum is present shall constitute the acts of the Board of Directors, except where

approval by a greater number of Directors is required by Declaration or these By-Laws.

10. The presiding officer of a Directors' meeting shall be the President or in his absence, the Vice President. In the absence of the President and Vice President, the Directors present shall designate one of their number to preside.

11. The Board of Directors, by resolution approved by all members thereof, may designate from among its members such committees as it deems advisable and by resolution provide the extent and manner to which the same may have and exercise the authority of the Board.

IV.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes and the Articles of Incorporation, Such powers and duties of the Directors shall include in addition to those elsewhere provided for but shall not be limited to the following:

1. To enforce the terms of and carry out the obligations set forth in the Declaration.
2. To make and collect assessments against members for all common expenses.
3. To use the proceeds of assessments in the exercise of its powers and duties.
4. The maintenance, repair, replacement, and operation of the common areas and improvements located thereon and making or providing for payment for all such work and approving or delegating to the officers authority to approve vouchers therefor.
5. The reconstruction, repair, restoration, or rebuilding of the common area property after casualty; the construction of new improvements or alterations if authorized; to make and amend regulations respecting the use and occupancy of the common area property and to permit or forbid an action or conduct within the discretion committed to them in these By-Laws, and Resolutions of the members.
6. To enforce by legal means the provisions of the Articles of Incorporation, the By-Laws of the Association, the Declaration and the regulations for the use of the common area property; and to take legal action in the name of the Association and on behalf of its members, including the imposition of penalties and fines against members of violation.
7. To contract for management of the common areas and to delegate to such contractor any or all powers and duties of the

Association except such as are specifically required by the By-Laws, or Resolution of the members to have approval of the Board of Directors or the membership of the Association.

8. To employ, designate, and remove personnel to perform the services required for proper operation of the common areas.
9. To carry insurance upon the common area property and insurance for the protection of unit owners, occupants, and the Association.
10. To pay the cost of all power, water, sewer, and other utility or other services rendered to the common area.
11. To conduct all votes or determinations by members other than at a membership meeting.
12. To borrow money from any bank, lending institution or agency for the use and benefit of the Association, and to secure the loan or loans by pledge of the assets of the Association, and from time to time to renew such loan and give additional security.
13. To do such other acts as are necessary and proper to effect the purpose of the Association as stated in these By-Laws and Articles of Incorporation provided such acts are not otherwise prohibited.

V. OFFICERS

1. The officers of the Association shall be the President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and may be pre-emptorily removed and replaced by vote of the Directors at any meeting. The initial officers and their successors until the first annual meeting shall be chosen by the initial Board of Directors and shall serve until the first annual membership meeting. The Board of Directors may from time to time create and fill other offices and designate the powers and duties thereof. Each officer shall have the powers and duties usually vested in such office, and such authority as is committed to the office by the By-Laws or by specific grant from the Board, but subject at all times to the provisions of the By-Laws and to the control of the Board of Directors.

2. The President shall be the chief executive officer of the Association. He shall preside at all membership meetings and meetings of the Board of Directors and shall have power to appoint committees from among the members to assist in the conduct of the affairs of the Association.

3. The Vice President shall preside over membership meetings in the absence or disability of the President, and shall otherwise exercise the powers and duties of the President in the event of the absence or

disability of the President, and shall generally assist the President and exercise such other powers and duties as are prescribed by the Directors.

4. The Secretary shall keep the minutes of all proceedings of membership and meetings and Directors' meetings and shall have custody and control of the minute book of the Association, and shall keep or be in charge and control of the records of the Association except those of the Treasurer.

5. The Treasurer shall have control of the funds and other property of the Association and shall keep the financial books and records thereof.

6. The compensation of all officers and employees shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee, nor the contracting with a Director for the management of the Regime.

7. Any instrument affecting an interest in real estate shall be executed pursuant to the terms of Article IX of the Articles of Incorporation.

VI.

FISCAL MANAGEMENT

1. The Board of Directors shall adopt a budget for each calendar year (which shall be the Association's fiscal year for income tax purposes) which shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounting categories according to good accounting practices:

- a) Current expenses which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for the contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.
- b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- c) Reserve for replacement which shall include funds for repair or replacement required because of damage, destruction, depreciation or obsolescence.

2. The Board of Directors shall assess against each property, and owners thereof only shall be liable for, a share of the items in the budget adopted pursuant to Paragraph 1 which bears the same ratio to the budget as the number of votes appurtenant to such property bear to total votes of all members of the Corporation. The rate of

assessment shall be in accordance with the provisions of the Declaration. Such share shall be assessed for the fiscal year for which the budget was prepared annually in advance and notice of such assessments shall be mailed or delivered not less than thirty (30) days prior to the first day of such fiscal year. Such assessment shall be due and payable from the respective property owner or owners in 12 equal installments, each installment being due and payable the first day of each calendar month, which day falls within such fiscal year. In the event notice of such assessment is not timely given the amount of such assessment shall not change, but the due date for each installment which would otherwise be due and payable less than 30 days from the giving of such notice shall be due and payable on the due date of the first installment which is due not less than 30 days from the date such notice is mailed or delivered. In the event the annual assessment proves to be insufficient, the budget and assessments therefor, may be amended at any time by the Board of Directors if the total amount of the budget as amended does not exceed 105% of the total amount of the budget as originally adopted for the said fiscal year. In the event the budget as amended exceeds the limitation of the previous sentence, such budget may be adopted at a special members' meeting upon an affirmative vote of a majority of the vote represented at such meeting. The additional amount so budgeted shall be assessed to each owner in the same manner as assessments for the annual budget and shall be prorated along with the remaining installments due and payable in such year.

3. Assessments for common expenses for emergencies and extraordinary expenditures, which cannot be paid from the annual assessments for common expenses or the maintenance reserve fund shall be made only after notice of the need thereof to the owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one half of the votes appurtenant to the units concerned, the assessment shall become effective, and it shall be due in such manner as the Board of Directors may require after thirty (30) days' notice thereof. In the event any expenditure for repair or replacement of any unit or common elements cannot be paid from annual assessments but can be at least 90% paid from insurance proceeds therefor, such expenditures may be made upon approval of the Board of Directors without approval of the members and an amended budget and assessment may be made therefor if necessary.

4. If an owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installment of the assessment upon notice thereof to such owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to such owner either personally or by registered or certified mail. Interest shall be computed and due on balance due under this paragraph but upon on such due date at the maximum rate of interest allowable by law from the date such balance becomes due and payable in accordance with the preceding sentence; such interest shall be in addition to any other payments for which said owner is liable.

5. The holder of a first mortgage on any property, upon its filing written request with the Association, shall be given written notice from

the Association of any default by the mortgagor in the performance of the mortgagor's obligations under these By-Laws, which is not cured within thirty (30) days.

6. All sums assessed but unpaid including, but not limited to, interest with respect to the real property described on Exhibit B or a portion or parcel thereof or against an owner shall constitute a lien on such real property prior to all other liens except (1) tax liens on the unit in favor of any assessing unit and special district, and (2) all sums unpaid on the first mortgage of record. Such lien may be foreclosed by the Association in the manner provided for the foreclosure of mortgages contained in the Code of Iowa in which event the unit owner shall be required to pay a reasonable rental for the unit. The Association may sue for money judgment for unpaid assessment and interest or sums due without foreclosing or waiving any lien which it holds.

7. If a mortgagee or purchaser of a property obtains possession as a result of foreclosure of a first mortgage, or deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the assessments chargeable to such property due prior to the acquisition of possession and such unpaid assessments shall thereafter be deemed to be common expenses collectible from all owners including the mortgagee or purchaser, his successors and assigns, all without prejudice to the right of the Association to collect the same from the defaulting unit owner personally. The owner pursuant to a voluntary conveyance or by inheritance or devise shall be jointly and severally liable with the grantor or prior owner for all unpaid assessment against the grantor or prior owner but without the prejudice to the right of such grantee or devisee to recover from grantor the amounts paid therefor. The grantee or other successor interest of an individual subject to a levy of assessment on account of default shall be liable for any such special assessment.

8. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

9. An accounting of the Association's books shall be made annually and a copy of the report shall be made available for inspection by each member not later than ninety (90) days after the close of the fiscal year for which the report is made.

VII. AMENDMENT

1. These By-Laws may be amended, altered, repealed or new By-Laws adopted by the members at a regular or special meeting of the members upon the affirmative vote of 2/3rds of the votes outstanding.

2. No amendment may be adopted at either a special or regular membership meeting if not included in the notice thereof, except if notice of the proposed amendment has been given, a different amendment relative to the same subject matter may be adopted by those present, in person or by proxy and possessing the requisite percentage of membership and voting units, provided further no vote by proxy may be counted unless the proxy expressly provides for such contingency. Notice referred to herein shall be given in the manner prescribed in Article II Section 3 of these By-Laws and shall be given to the persons described in Article II Section 4 and the holder of any first mortgage of record which has notified the Association of his interest. More than one proposed amendment may be included in the notice of a meeting.

3. No modification or amendment of these By-Laws shall be effective if the same results in an amendment, modification or change in the terms of the Declaration, unless the Declaration is properly amended in accordance with its terms.

4. No modification or amendment of these By-Laws shall be effective unless set forth in an amendment executed and recorded in the office of the Recorder of Polk County, Iowa. Upon such recording, the amendment shall be effective against all persons regardless of whether such person had an ownership interest at the time the amendment was adopted.

IX.

DISSOLUTION OR LIQUIDATION

1. The Corporation shall not be voluntarily or involuntarily dissolved or liquidated without the prior written consent of the City of Clive. To that end, the City of Clive shall be deemed a voting member for the purposes of voting on a resolution recommending that the Corporation be dissolved, and the City of Clive for such vote shall be deemed to possess 51% of the outstanding votes in the Corporation.

X.

CONFLICTS

1. If the provisions of these Bylaws conflict with the express provisions of the Declaration, the provisions of the Declaration shall control.

XI.

GENERAL PROVISIONS

1. The invalidity of any portion or provision of these By-Laws shall not affect the validity of the remaining provisions or portions hereof.

2. The association shall not have a corporate seal.

3. The Board of Directors may require fidelity bonds from all directors, officers, or agents handling or responsible for Association

funds and the expense of such bonds shall be a common expense of the Association.

4. The Association shall at all times maintain complete and maintain accurate written records of each unit and owner and the address of each, and setting forth the status of all assessments, accounts and funds pertinent to that unit and owner. Any person may rely on a certificate made from such records by an officer or agent of the Association as to the status of all assessments and accounts.

5. Each member shall have the obligations as such member as are imposed upon him by the recorded documents as an owner, and no member shall have any power or authority to incur a mechanic's lien or other lien effective against the common area property.

6. The Board of Directors may in its discretion issue written evidence of membership but the same shall be evidence thereof only and shall in no manner be transferrable or negotiable, and the share of the member in the assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to such assignment, hypothecation, or transfer of the property.

7. No provision or restriction otherwise void by reason of application of the rules against perpetuities or Section 558.68 of the Code of Iowa shall continue for a period longer than the life of the last to survive of the owners and shareholder of the developer and their children in being at the time of the initial recording of the Declaration of Condominium to the Regime and twenty-one (21) years thereafter.

8. Each owner or the lessee of his unit as applicable shall have a right to use and enjoy the common provided such use shall be limited to the use permitted by the Declaration and other rules and regulations of the Association.

These Bylaws are hereby adopted as the By-laws of The Woodlands Owners Association No. 1, this _____ day of _____, 1989.

THE WOODLANDS OWNERS ASSOCIATION NO. 1

By _____
Michael Kuperman, Director

By _____
James W. McCulloh, Director

By _____
Bruce C. Sherman, Director

STATE OF IOWA)
) SS
 COUNTY OF POLK)

On this _____ day of _____, 1989, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Michael Kuperman, James W. McCulloh and Bruce C. Sherman, to me personally known, who, being by me duly sworn, did say that they are the Directors of The Woodlands Owners Association No. 1 executing the within and foregoing instrument to which this is attached, that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Michael Kuperman, James W. McCulloh and Bruce C. Sherman, as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

 Notary Public in and for said
 county and state.

EXHIBIT A

An irregularly shaped Entrance Structure Easement over and across a portion of Outlot "W" in The Woodlands Plat No. 1, an Official Plat, Clive, Polk County, Iowa is described as follows;

Beginning at the Southeast Corner of Outlot "W" in The Woodlands Plat No. 1, an Official Plat, Clive, Polk County, Iowa; thence, $N00^{\circ}00'00''E$ along the East Line of said Outlot "W", a distance of 414.70 feet to the Point of Beginning; thence Continuing $N00^{\circ}00'00''E$ along the East Line of said Outlot "W", a distance of 49.88 feet; thence Northwesterly along a 25.00 foot radius to the left, a distance of 39.39 feet; thence, $S89^{\circ}43'10''W$ along the Northerly Line of said Outlot "W", a distance of 49.88 feet; thence, $S00^{\circ}00'00''E$, a distance of 35.00 feet; thence, $N89^{\circ}43'10''E$, a distance of 40.00 feet; thence, $S00^{\circ}00'00''E$, a distance of 40.00 feet; thence, $N89^{\circ}43'10''E$, a distance of 35.00 feet to the Point of Beginning.

and

An irregularly shaped Entrance Structure Easement over and across a portion of Outlot "X" in The Woodlands Plat No. 1, an Official Plat, Clive, Polk County, Iowa is described as follows;

Commencing at the Northeast Corner of Outlot "X" in The Woodlands Plat No. 1, an Official Plat, Clive, Polk County, Iowa; thence, $S00^{\circ}00'00''E$, a distance of 236.14 feet to the Point of Beginning; thence Continuing $S00^{\circ}00'00''E$, a distance of 50.12 feet; thence Southwesterly along a 25.00 foot radius curve to the right, a distance of 39.15 feet; thence, $S89^{\circ}43'10''W$, a distance of 50.12 feet; thence, $N00^{\circ}00'00''E$, a distance of 35.00 feet; thence, $N89^{\circ}43'10''E$, a distance of 40.00 feet; thence, $N00^{\circ}00'00''E$, a distance of 40.00; thence, $N89^{\circ}43'10''E$, a distance of 35.00 feet to the Point of Beginning.

and

The entrance wall, lighting and landscaping on said easement area and the landscaping, flowers, shrubs, bushes, trees and lighting and sprinkler systems within the public street and public street right of way and boulevard known as Woodlands Parkway and Easements located within The Woodlans Plat No. 1 plat in Clive, Iowa and limestone mail box clusters and limestone street pillars and signs located within the public right of way of various streets at locations within said plat, all as shown by the site plan and construction drawings for said plat.

EXHIBIT B

Lots 1 to 33, inclusive, and Outlots W, X and Y in The Woodlands Plat No. 1, an Official Plat, Clive, Polk County, Iowa.