

BYLAWS

OF

LAKWOODS DEVELOPMENT ASSOCIATION, INC.
(A non-profit Iowa corporation organized under Chapter 504A,
The Revised Iowa Non-profit Corporation Act)

ARTICLE I

Scope and Definition

1. The following are Bylaws of LakeWoods Development Association, Inc. a non-profit corporation organized under Chapter 504A, Code of Iowa, which governs a council of co-owners for those owning lots in the addition now developed upon the following described property:

LakeWoods Development Part One to the City of Shueyville, Johnson County, Iowa, in accordance with the plat thereof recorded in Book 52, Page 74, Plat Records of Johnson County, Iowa,

and other properties which may be submitted to the Association by the developers of the LakeWoods additions.

This corporation shall likewise function as the council of co-owners for all of the home owners as thus supplemented and enlarged and any outlots that may be designated on Final Plats for such LakeWoods additions.

2. The term "person" shall include a corporation, other entity or representative. All references in the plural or singular shall include the other according to context, and all references to gender include male, female or neuter according to context.

ARTICLE II

Members and Voting Rights

1. Subject to the qualifications set forth below, the owners of record of the lots developed upon the real estate described in paragraph 1 above shall constitute the members of the corporation, and membership shall automatically cease when the record ownership of such lot is terminated. The Developer of the lots shall be a member and have rights of membership with respect to developed but unsold lots that have been platted.

2. If ownership is acquired or terminated by instrument of transfer but not of record, or acquired or terminated other than by way of instrument of transfer (such as by death, judicial act or dissolution), the person acquiring or succeeding to ownership shall present to the Board of Directors of the corporation evidence satisfactory to it of facts evidencing lawful ownership status. A fiduciary or other official acting in a representative capacity shall exercise all membership rights

and privileges of the owner or property right in respect to which he is serving.

3. If more than one person owns an interest in the same lot, all such persons 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 owners of that lot shall be cast by the person or persons named on a Certificate signed by all owners or fiduciaries or other officials. If such Certificate is not executed and filed with the Association, the vote entitled to be cast with respect to that lot shall not be counted or voted for purposes of a quorum or in determining the outcome of any vote unless all owners, or fiduciaries, or officials are present and concur in the casting of such votes. This restriction, however, shall not affect the total number of votes outstanding and entitled to be cast which shall be equal to the number of lots developed upon the real estate described in paragraph 1 of Article 1 above.

4. The total number of votes outstanding and entitled to be cast by all members shall be the total number of lots platted upon the real estate described in paragraph 1 of Article 1.

ARTICLE III

Membership Meetings

1. The annual meeting and any special meeting shall be held within Johnson County, Iowa, and all such meetings, annual or special, shall be held at such particular time and place as is set forth in the notice.

2. At any annual or special meeting, the presence of members, in person or by proxy, who are entitled to cast a majority of the total number of votes outstanding shall constitute a quorum for the transaction of business. All action taken by the members or submitted to them for consideration shall be carried or approved upon the favorable vote of a majority of the votes represented and entitled to be cast at the meeting, unless a different rule is provided herein. If neither the president nor vice president is available to preside, a chairman shall be elected.

3. A special meeting of the members may be called by the president or, in the event of his absence or disability, by the vice president, or by one-third of the Directors or by such number of members who are entitled collectively to cast at least twenty-five percent of the total number of votes outstanding and entitled to be cast.

4. It shall be the duty of the Secretary or her designee to give written notice to members of the time and place of the annual meeting. The person or persons calling a special meeting, pursuant to paragraph 3, shall give like written notice of the time and place of such special meeting. All notices shall set forth the purpose or purposes for which the meeting will be held and no action shall be taken at a special meeting which is not directly related to the purposes of the special meeting as defined in said notice.

5. 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 any unapproved minutes
- E. Reports of officers, if applicable
- F. Election of inspectors of election, if applicable
- G. Election of directors, if applicable
- H. Unfinished business
- I. New business
- J. Adjournment

6. At all membership meetings, the presence of an owner and the exercise of the voting rights of the owner by proxy shall be permitted and recognized, provided such proxy must be in writing and signed by all persons possessing an ownership interest in the lot in question and shall set forth 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. Notice shall be given by mailing or delivering the same not less than ten nor more than fifty days prior to the date of the meeting. A mailed notice shall be duly given if addressed to the member at the address of his lot, unless at the time of giving of such notice, the member has, in writing, directed a different mailing address to be carried on the rolls of the corporation. Where a lot is owned in common or jointly, notice is duly given to the person named in the Certificate required by paragraph 3 of Article II.

8. The annual meeting of the members shall be held at _____ o'clock ____M. on the _____ in (month) of each year commencing in 2010, provided the initial Board of Directors may call an annual meeting prior to such date, if such Board elects to do so. This provision shall not inhibit the calling or holding of any special meeting.

ARTICLE IV

Board of Directors

1. The corporation and its affairs shall be governed, managed, and administered by a Board of Directors. The initial board is two in number and the initial Directors shall be William E. Gaddis and Leigh A. Gaddis. The initial Board need not be members of the corporation. From and after the first annual meeting the members of the Board of Directors shall be selected from the members of the corporation. An officer or designated agent of a corporate member may serve as a Director.

2. From and after the first annual meeting, the Board of Directors shall be four in number, and at the first meeting, the terms of the initial Board of Directors shall expire and the full compliment of four Directors shall be elected. Thereafter, the term of the office for each Director shall be two years, except that at the first annual meeting, two Directors shall be elected for a one year term and two Directors shall be elected for a two year term. Thereafter, at each annual

meeting subsequent to the first annual meeting, the terms of office of one-half of the Board of Directors shall expire and new Directors shall be elected accordingly, but there shall be no limitation on the number of terms which a Director may serve. All Directors shall serve until their successors are duly designated and qualified.

3. Election of Directors shall be by ballot in which votes are cast in favor of as many Directors as there are vacancies to fill. The person receiving a majority of the votes cast shall be elected. If no person receives a majority vote, as many additional ballots shall be taken as may be required, and in each such case, the nominee receiving the least number of votes in the previous ballot shall be eliminated from further consideration.

4. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by vote of the majority of the Directors remaining in office, whether those remaining constitute a quorum or not.

5. The initial Directors shall not be subject to removal. Thereafter a Director may be removed from office at a special meeting called for such purpose if seventy-five percent of the total number of votes outstanding and entitled to be cast are voted in favor of such removal.

6. A majority of the Board of Directors may, by resolution, set a time and place for regular meetings of the Board of Directors and no notice thereof shall be required until such resolution is rescinded. Special meetings of the Directors may be called by the president or any two Directors. Not less than two days' notice shall be given, personally or by mail, telephone or email, which notice shall state the time, place and purpose of the meeting.

7. The Board of Directors, by resolution approved by all members thereof, may designate from among its membership an Executive Committee or other committees and by such resolution provide the extent and manner to which the same may have and exercise the authority of the Board.

ARTICLE V

Officers

1. The officers of the corporation shall be the President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer and a Secretary, who may or may not be Directors but who must be members, all of whom shall be elected annually by the Board of Directors, except that the initial officers and their successors shall be chosen by the initial Board of Directors and shall serve until the first annual membership meeting, and the initial officers who serve until the first annual meeting need not be members of the corporation. The Board of Directors may from time to time create and fill other offices and designate the powers and duties. Each officer shall have the power and duties usually vested in such office, and such authority as is committed to the office by the Bylaws or by specific grant from the Board of Directors. More than one office may be held by a single person.

2. The president shall be the chief executive officer of the corporation and shall preside at

all membership meetings and shall have power to appoint committees from among the members to assist in the conduct of the affairs of the corporation.

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 meetings and Directors' meetings and shall have custody and control of the minute book of the corporation, and shall keep or be in charge and control of the records of the corporation except those of the treasurer, and shall give notice where required or directed to do so.

5. The treasurer shall have control of the funds and other property of the Association, shall keep the financial books and records thereof and shall pay vouchers approved by the Board or designate some person under his or her control to do so.

6. Compensation of all employees shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee.

7. Any deed or contract for sale of real estate or lease (or assignment of such contract or lease) may be executed by the president or vice president and any officer other than the president or vice president. Any lien held by the Association may be released by any of the officers of the Association. The Board of Directors may, in addition, authorize the execution of the kinds of instruments above mentioned or other instruments required to be executed on behalf of the Association in such manner as it shall by resolution direct.

ARTICLE VI

Powers and Duties of the Board of Directors

All of the powers and duties of the corporation (including those existing under the common law and statutes, and the Articles of Incorporation) shall be exercised by the Board of Directors. Such powers and duties shall include but not be limited to, the following:

1. To make and collect assessments against members for all common expenses.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. To direct and provide for the maintenance, repair and replacements, and operation of the improvements which benefit the members of the Association, and to provide for payment for all such work and approving or delegating to the treasurer authority to approve vouchers therefore. It is the intention that the corporation provide for the maintenance of all common areas within the LakeWoods additions which shall include the ponds/lakes, walking trails and the community lighting. The corporation shall also be responsible for monitoring and supervising repair and

replacement of water systems/wells and septic systems which are installed within the additions. The corporation shall also accept the duties delegated to it by the Developer of the LakeWoods additions, said Developer's responsibilities being outlined in the restrictive covenants filed for each of the LakeWoods additions.

ARTICLE VII

Common Expenses; Assessments and Collection

1. The common expenses of the Association include all those legitimately assumed by it in connection with its powers, duties and obligations as set forth in these Bylaws and are necessary or implied in connection with the powers and duties of the Board of Directors.

2. Assessments against the lots and the owners thereof shall be made by the Association in order to provide funds for the discharge of all common expense of the Association, which assessments, in addition to being and constituting a lien against the lot in question shall also be a personal liability of the owner and jointly and severally if more than one owner. All assessments and funds collected therefrom shall be charged or credited to the owner's account. All lots shall be assessed equally, however, lots owned by the Developer and the original landowners, as set forth in the Restrictive Covenants for such property, shall not be subject to assessment by the Association. The Association shall have the right to impose and collect by any lawful means from the owner of each lot; assessments and such reasonable amounts and for such reasonable purpose related to the welfare of the lots and the lot owners as determined by the Board of Directors of the Association. All such assessments shall be the personal liability of the owner of the lot and shall constitute a lien upon each lot which shall run with the land and be binding upon all subsequent owners. Such lien may be foreclosed in the manner of real estate mortgages. Such lien shall be subordinate to liens for real estate taxes and first mortgages of record. Assessments not paid when due shall bear interest at a rate set from time to time by the Board of Directors. The Board of Directors shall have the power to impose sanctions upon owners of lots subject to assessments for violations of any rules or regulations applicable to such owners or to such lots.

3. Where a mortgagee or purchaser of a lot obtains title as a result of foreclosure of a first mortgage, such mortgagee or purchaser, and his or her successors and assigns, shall not be liable for the assessments chargeable to such lot due prior to the acquisition of title and such unpaid assessment shall thereafter be deemed to be a common expense collectible from all remaining lot owners, including the purchaser, his or her successors and assigns. The owner of a lot 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 assessments.

4. The Board of Directors may also make a levy, from time to time, assessments for common emergency or extraordinary expenses. Emergency assessments and "special" assessments shall be due and payable according to the terms of the Board.

5. The Association shall, at all times, maintain complete and accurate written records of

each lot owner and the address of each, which shall set forth the status of all assessments, accounts and funds pertinent to that lot. Any person other than an owner 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.

ARTICLE VIII

Amendment

1. Except as herein provided, these Bylaws may be amended, altered, repealed or new Bylaws adopted by the members at a special or annual meeting upon the affirmative vote of seventy-five percent of the total number of votes outstanding and entitled to be cast. No amendment, alteration or action taken to repeal these Bylaws and adopt new Bylaws shall change the provision which equate membership with lot ownership.

2. No amendment may be adopted at either a special or regular membership meeting not included in the notice thereof; provided, however, if notice of the proposed amendment has been given, a different amendment relative to the subject matter thereof may be adopted by those present, in person or by proxy, and possessing the requisite percentage of the total number of votes outstanding and entitled to be cast, and provided further, no vote by proxy may be counted unless the proxy expressly provides for such contingency. More than one proposed amendment may be included in the notice of a meeting.

William E. Gaddis, President