

BYLAWS
OF
TOWN HOMES OF MISSION RIDGE II, INC.

ARTICLE I.
NAME AND LOCATION

The name of the corporation is Town Homes of Mission Ridge II, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 258 Hyland Avenue, Ames, Iowa 50014, but meetings of Members and directors may be held at such places within Story County, Iowa, as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Association" shall mean and refer to Town Homes of Mission Ridge II, Inc., its successors, assigns and counterparts.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit (as defined in Section 3 of this Article), but excluding those persons or entities having such interest merely as security for the performance of an obligation. If a Unit is sold on contract, the Owner shall be deemed to be the contract buyer. In the event the contract buyer fails to comply with any of the terms of these Bylaws, the contract seller shall comply with the terms of these Bylaws. As between a contract seller and a contract buyer, there will be only one Owner per Unit.

Section 3. "Unit" shall mean and refer to a condominium unit, also referred to as "apartment" within Town Homes of Mission Ridge II, Inc.

Section 4. "Common Elements" shall be as defined in the Declaration of Submission of Property to Horizontal Property Regime for Town Homes of Mission Ridge II, Inc. recorded in the office of the Recorder of Story County, Iowa.

Section 5. "Common Expenses" means and includes:

- (a) All sums lawfully assessed against the Unit Owners by the Managing Agent or Board;
- (b) All expenses of administration and management, maintenance, operation, repair or replacement of and addition to the Common Elements;
- (c) Expenses agree upon as common expenses by the Unit Owners; and

- (d) Expenses agreed upon as common expenses pursuant to this Declaration or by the Bylaws.

Section 6. "Member" shall mean and refer to every Owner of a Unit in Town Homes of Mission Ridge II, Inc., Story County, Iowa.

Section 7. "Declaration" shall mean the Declaration of Submission of Property to Horizontal Property Regime for Town Homes of Mission Ridge II, Inc. recorded in the office of the Recorder of Story County, Iowa on October 28, 1992 in Book 337 at Page 233.

ARTICLE III. MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Association shall be held on or before the second Monday in February of each year at such place as may be determined by the members of the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors or the Members of the Association shall be called by the President on written request made by the Board of Directors or on written demand by at least 30% of the Owners of the Units. The President shall determine the date, time and place of the meeting.

Section 3. Notice of Meetings. All notices for the annual meeting and for any special meetings shall be in writing and shall be mailed to each of the Members of the Association at their last known mailing address by ordinary mail, postage prepaid, at least thirty (30) days and no more than sixty (60) days prior to the date fixed for the meeting. Such notice shall include an agenda for the meeting of the membership, annual or special.

Section 4. Quorum. A quorum shall consist of sixty percent (60%) of the votes of the membership. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 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 on conveyance of a Unit by the Member.

ARTICLE IV. MEMBERS AND VOTING RIGHTS

Section 1. Members. The qualification of members and the manner of their admission into the Association shall be as follows:

- A. A Unit Owner shall by virtue of such interest be a Member of this Association.
- B. If more than one person is an Owner of the same Unit, all such Owners shall be Members and remain jointly and severally liable for all membership obligations.
- C. It shall be the duty of each Unit Owner to register with the Secretary of the Association the fact of ownership and the address of the Owner. The Owner shall register with the Secretary of the Association the name of any tenant occupying the Unit. The Secretary shall maintain a Roll of Members (Roll). Failure of a Unit Owner to register shall not affect any obligation of such Unit Owner under the Declaration, Bylaws and Rules and Regulations.
- D. The share of a Member in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to a Unit.

Section 2. Voting Rights. All Unit Owners of a Unit shall collectively have that percentage vote set forth in Exhibit B to the Declaration. Where there is more than one Owner of a Unit, any one thereof may cast the vote allocated to that Unit. In the event that there is a dispute among such Unit Owners, the matter shall be referred to the Board of Directors who shall decide by whom the vote is to be cast, and such decision will be final.

ARTICLE V. DIRECTORS

Section 1. Number. The management and affairs of this Association shall be managed by a Board of not less than one (1) nor more than seven (7) directors, provided that the number of directors shall always be an odd number and all directors shall be Members of the Association. During the period of Declarant control, however, there may be only one director named. The number of directors may be changed by amendment of the Bylaws of the Association.

At the first meeting of the members, they shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) for a terms of two (2) years and one-third (1/3) for a term of three (3) years. At each annual meeting thereafter the Members shall elect one-third (1/3) of the Board of Directors for a term of three (3) years.

Section 2. Vacancy. Regular vacancies occurring on the Board of Directors shall be filled by election of the Members at the regular annual meeting. If a vacancy occurs prior to the annual meeting, the President shall appoint a Member to serve until the annual meeting.

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, the successor director shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor director.

Section 4. Compensation. No director shall receive compensation for any service rendered 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 VI. DIRECTORS MEETINGS

Section 1. Meetings. The Board of Directors shall meet on request of any member thereof and at any reasonable hour or location, provided, however, that at least twelve (12) hours notice is given to each director.

Section 2. 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 shall be regarded as the act of the Board of Directors.

Section 3. Majority Rule. All questions and deliberations before the board shall be decided by simple majority of the directors present.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- A. Adopt and publish rules and regulations governing the use of the Common Elements, if any, and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- B. 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 sixty (60) days, for infraction of published rules and regulations;
- C. 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 Bylaws, the Articles of Incorporation, or as more fully provided in the Declaration;

- D. 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
- E. Employ an independent contractor, or such other employees as they deem necessary, and 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 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 one-fourth (1/4) of the Members who are entitled to vote;
- B. Supervise all officers, agents and employees of this Association and see that their duties are properly performed;
- C. As more fully provided in the Declaration:
 - 1. Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;
 - 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, on 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. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- G. Cause the Common Elements to be maintained.

ARTICLE VIII.
OFFICERS AND THEIR DUTIES

Section 1. The officers of the Association shall be President, Vice-President, Secretary and Treasurer. The officers shall be elected at the annual meeting of the Members and shall be elected for a one-year term. A majority of the votes cast by the Unit Owners present shall determine the election.

A. Duties of the President. The duties of the President shall be:

1. To conduct meetings.
2. To serve as a member of the Board of Directors and as an ex officio member of all regular and special committees.
3. To call special meetings as necessary.
4. To represent the organization officially.
5. To prepare the agenda for the annual meeting of the corporation.

B. Duties of the Vice-President. The duties of the Vice-President shall be:

1. To serve as presiding officer at meetings in the absence of the President.
2. To assist generally in the duties of the President.

C. Duties of the Secretary. The duties of the Secretary shall be:

1. To record and preserve all minutes of meetings of the Association and preserve other written and printed materials pertaining to the Association.
2. To mail copies of the minutes of the annual and special meetings to all Members.
3. To receive, communicate and file correspondence relating to the Association.
4. The prepare and give notice of meetings as required by these Bylaws.

- D. Duties of the Treasurer. The duties of the Treasurer shall be:
1. To have the general responsibility for the Association's funds and accounts subject to the order of the Board of Directors.
 2. To maintain and keep proper books of account which at reasonable times shall be open for examination by any Member of the Association.
 3. To oversee the receipt and disbursement of all funds belonging to the Association.
 4. To execute all financial transactions as directed by the Board of Directors.
- E. Removal of Officers. Any officer of the Association may be removed by a majority vote of the Unit Owners present at the regular annual meeting or special meeting duly called for that purpose.

ARTICLE IX. ASSESSMENTS

Section 1. Unless otherwise specified the term "Assessments" includes annual and special Common Expense assessments.

Assessments shall be levied in accordance with the Declaration (see Article III, Section 1) by a majority vote of all of the members of the Board of Directors of the Association, in each instance supported by a budget and paid by the members to the Association in accordance with the following provisions:

- A. All Owners of a Unit shall be jointly and severally liable for the Common Expenses which are assessed against the Unit.
- B. All sums collected by the Association as assessments may be commingled in a single fund.
- C. All assessments, both annual and special, shall become a lien on the Unit on the date they become payable. In case any installment is not paid within thirty (30) days after it becomes payable, the Board of Directors may declare the entire assessment payable without notice.
- D. Annual assessments shall be made in advance on or before the second Monday in December of the year preceding that for which the assessments are payable, and special assessments shall be made at such other additional times as in the judgment of the Board of Directors, additional common expense assessments are required for the proper management, maintenance and operation of the

condominium. Such annual assessments shall be payable in equal monthly installments beginning January 1 and on the 1st day of each month thereafter. Special assessments shall be due and payable as determined by the Board of Directors. If an annual assessment is not made, there shall be an assessment in the amount of the last prior annual assessment which shall be payable as above set forth.

- E. The assessments against all units shall be set forth upon the Roll which shall be available in the office of the Association for inspection at all reasonable times by members or their duly authorized representatives. Such Roll shall indicate for each Unit the name, address and interest of the Member, the assessments or other obligations owing to the Association and the amounts of all assessments or other obligations which are unpaid.
- F. Assessments and installments thereof paid on or before fifteen (15) days after the date when payable shall not bear interest or penalty, but all sums not paid on or before fifteen (15) days after the date when payable shall bear interest and/or penalty as determined by the Association to the extent permitted by law from the date when payable until paid. All payments on account shall be applied first to interest and/or penalty and then to the assessment payment first payable. All interest and penalties collected shall be credited to the Common Expense account.

ARTICLE X. AMENDMENTS

These Bylaws may be altered, amended or repealed, and new Bylaws adopted if such action is proposed and presented in writing to the Members of the Association at least 10 days in advance of the date of any meeting where such action shall occur. Approval of any change in the Bylaws must be by a two-third (2/3) vote of the membership entitled to vote under the provisions of these Bylaws.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Association shall begin on January 1 and end on December 31 of each year.

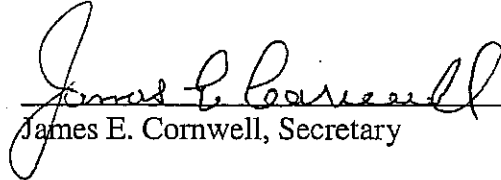
ARTICLE XII. CORPORATE SEAL

The Association shall have no seal.

ARTICLE XIII.
SALE AND NOTICE

Owners shall notify members of the Board of Directors of the sale of any Unit within 30 days of the sale and shall furnish the Board of Directors with the name and address of the new Owner or Owners.

IN WITNESS WHEREOF, Owner has adopted the foregoing Town Homes of Mission Ridge II this 10th day of April, 2005.


James E. Cornwell, Secretary