Timber Trails Home Owners Association
PO Box 2031
Iowa City, Iowa 52244

BY-LAWS

OF

TIMBER TRAILS HOME OWNERS ASSOCIATION, INC.[1]

ARTICLE I

NAME AND LOCATION

Section 1.01 The name of the corporation is Timber Trails Home Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at P.O. Box 2031, Iowa City, IA 52244, but meetings of members and directors may be held at such places within the State of Iowa, County of Johnson, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.01 "Association " shall mean and refer to the Timber Trails Home Owners Association, Inc., is successors and assigns.

Section 2.02 "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.03 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 2.04 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 2.05 "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 2.06 "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 sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.07 "Declarants" shall mean and refer to Harvey W. Henry, and Lucas S. Van Orden III, their successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 2.08 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Recorder of Johnson County, Iowa.

ARTICLE III

MEMBERSHIP

Section 3.01 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 sellers, 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 and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 3.02 Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed six months, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area facilities.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 4.01 Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the members.

Section 4.02 Irrespective of the fact that Section 5.01 (B) of Article 5.00 of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members for a period of five years from the date of the recordation of the Declaration, and after this period, only upon written approval of those holding two-thirds (2/3) of the votes of the membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE

Section 5.01 Number. From the time of the first annual meeting the affairs, funds and business of this corporation shall be conducted by a Board of three, five, seven, or nine directors, elected by and from the membership at its annual meeting, who shall act as such until their successors are duly elected and qualified. Until the first annual meeting there shall be only two directors, who shall be Harvey W. Henry and Gloria J. Henry.

Section 5.02 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of all of the Class A membership votes of the Association plus a majority vote of all of the Class B membership votes of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5.03 Compensation. Directors may receive compensation for services rendered to the Association, based on approval by a vote of a majority of a quorum of members present in person or by proxy at each annual meeting, and may be reimbursed for actual expenses incurred in the performance of their duties.

Section 5.04 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

MEETINGS OF DIRECTORS

Section 6.01 Regular and Special Meetings. Meetings of the Board of Directors shall be held when called by the President or at written request of any two members of the board.

Section 6.02 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.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 7.01 Nomination. Nomination for election to the Board of Directors shall 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 shall be made from among members.

Section 7.02 Election. Election to the Board of Directors shall 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 VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.01 Powers. The Board of Directors shall have power to:

A) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
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 manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 8.02 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 one-fourth (1/4) of the 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 herein, and 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, as hereinafter provided in Article XII, and
    (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates 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; and
G) cause the Common Area to be maintained.

ARTICLE IX

COMMITTEES

Section 9.01 The Board of Directors shall appoint an Architectural Control Committee, as provided in 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 purposes, such as:

A) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion determines;
B) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;
C) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and
D) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 11.08(D). The Treasurer shall be an ex officio member of the Committee.

Section 9.02 It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter present.

ARTICLE X

MEETINGS OF MEMBERS

Section 10.01 Annual Meetings. The first annual meeting of the members shall be held on the fourth Monday of March in 1968 and each subsequent regular annual meeting of the members shall be held on the fourth Monday of April beginning in 1997, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the 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 10.02 Special Meetings. Special meetings of the members may be called at any time by the President of the Board of Directors, or upon written request of one-fourth (1/4) of the members who are entitled to vote.

Section 10.03 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 10, but not more than 20, 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 10.04 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 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 the 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 10.05 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 XI

OFFICERS AND THEIR DUTIES

Section 11.01 Enumeration of Offices. The officers of this Association shall be a president and vice-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 11.02 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 11.03 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 11.04 Special Appointments. The Board may elect 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 11.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by 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 11.06 Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 11.07 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 11.04 of this Article.

Section 11.08 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; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all check and promissory notes.

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; 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; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; 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 XII

ASSESSMENTS

Section 12.01 Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and

reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 12.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the Homes situated upon the Properties.

Section 12.03 Fixing of Annual Assessments. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment.

Section 12.04 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of streets, roads, trails, water system, or of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 10 days nor more than 20 days in advance of the meeting setting forth the purpose of the meeting.

Section 12.05 Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 12.06 Quorum for Any Action Authorized Under Sections 12.03 and 12.04. At the first meeting called, as provided in Sections 12.03 and 12.04 hereof, the presence at the meeting of sixty percent (60%) of the members or of proxies entitled to cast votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 12.03 and 12.04, and the required quorum at any such subsequent meeting shall be one-half (1/2) 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 12.07 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 12.08 Effect of Non-Payment of Assessments: Remedies of the Association. 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 rate of seven percent per annum, 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. Or in lieu of foreclosing such lien, the Association by its proper officer may cause to be served upon such lot owner a Notice of Forfeiture notifying him that unless said assessment with seven percent interest, costs of serving the notice, and $35.00 attorney fees are paid within thirty days of the completed service of said notice, the title to said lot shall pass to the Timber Trails Home Owners Association, Inc. If the terms and conditions of said notice are not performed within the said thirty days, the party serving said notice or the Association may file for record in the office of the county recorder a copy of the notice aforesaid with proofs of service attached or endorsed thereon, and when so filed and recorded, the said record shall be constructive notice to all parties of the passing of title to said lot to the Association. Proceedings hereunder except as to the payment of attorney fees shall be the same as those provided for the forfeiture of real estate contracts in Chapter 656 of the 1966 Code of Iowa. Any lot acquired by the Association by either of the methods set out above shall be sold within a reasonable time at public or private sale, and any surplus remaining after the payment of all assessments, interest, costs, and attorney fees shall be paid over to the former owner of said lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 12.09 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any prior recorded mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien.

Section 12.10 Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein:
(A) all properties dedicated to and accepted by a local, public authority,
(B) the Common Area.

ARTICLE XIII

BOOKS AND RECORDS

Section 13.01 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 reasonable cost.

ARTICLE XIV

NO CORPORATE SEAL

Section 14.01 The Association shall have no seal.

ARTICLE XV

AMENDMENTS

Section 15.01 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 15.02 In the case of any conflict between the Article 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 XVI

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, we, being all of the directors of Timber Trails Home Owners Association, Inc., have hereunto set our hands this **9th** day of **January**, 1968.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Timber Trails Home Owners Association, Inc., a non-profit Iowa corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the **_9th__** day of **__January_**, 1968.

IN WITNESS WHEREOF, I have hereunto subscribed my name this **_9th_** day of **_January_**, 1968.

/s/ Gloria J. Henry
Secretary

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[1] This document was compiled by Leo Vitosh and reviewed by Bill Decker and Mike DiPardo during December, 2001 and January, 2002. The accuracy of the document is not guaranteed. Rather, it represents the best faith efforts of those involved to provide a facsimile to the Association. The actual document is public and can be accessed through the Iowa Secretary of State's office.

It should be further noted that the original documents are not in this form. The actual filed documents at the Iowa Secretary of State's office are in the form of the original filing with a subsequent filing containing amendments (approved by the membership on June 12, 1996 and filed on October, 28,1996). Further complicating a reading of the original documents is the amendments to both the Articles of Incorporation and By-Laws are filed together. This document represents a compilation of the original filing and amendments into one readable linear document.