

**Stone Brooke Homeowners Association
Bylaws**

ARTICLE I
OFFICES AND DEFINITIONS

Section 1.1. Principal Office. The principal office of Stone Brooke Homeowner's Association (the Association) shall be in the City of Ames, State of Iowa.

Section 1.2. Registered Office. The registered office of the Association required by the Iowa Nonprofit Association Act to be maintained in the State of Iowa may be, but need not be identical with the principal office in the State of Iowa, and the address of both the registered office and principal office may be changed from time to time by the Board of Directors.

Section 1.3. Definitions. Capitalized terms in these Bylaws shall have the same definitions as in the Restated Declaration of Covenants, Conditions and Restrictions recorded on May 31, 2011 in the office of the Story County Recorder (the Declaration).

ARTICLE II
MEMBERS

Section 2.1. Membership. Membership in the Association shall be determined as provided in the Declaration.

Section 2.2. Membership List. To be placed on the Membership List, a person or entity otherwise qualified shall notify the Secretary of the Association that the person or entity has become an Owner of a Lot and give the Secretary such information as the Secretary requires to place the Owner on the Membership List.

Section 2.3. Suspension of Membership Rights. The Board of Directors may suspend the voting rights and right to use the recreational facilities of a Member during any period in which such member shall be sixty (60) days in arrears in the payment of any assessment levied by the Association until such time as the Member's assessment has been paid. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for a Member's infraction of published rules and regulations.

Section 2.4. Annual Meeting of Members, Notice, and Moderator. The Annual Meeting of the Members shall be held on a date annually set by resolution of the Board of Directors. Notice of the Annual Meeting stating date, time and place shall be delivered to the Members not less than fifteen (15) nor more than sixty days before the date of the meeting. All meetings of the Association shall be presided over by a Moderator who shall be the President of the Board of Directors or Vice President of the Board or other member of the Board of Directors as appointed by the President.

Section 2.5. Special Meetings. Special Meetings of the Members may be held from time to time when called by the President, by petition of not less than one-fourth of the Members or as provided in these Bylaws. All Special Meetings shall be held on a date set by resolution of the Board of Directors. The purpose of any Special Meeting shall be specified in the notice given to the Members. No other business may be transacted at a Special Meeting except as stated in the notice of the meeting.

Section 2.6. Notice of Special Meetings. Notice stating the place, day and hour of a Special Meeting and the purpose or purposes for which the Special Meeting is called, shall be delivered not less than fifteen (15) nor more than sixty days before the date of the meeting.

Section 2.7. Place of Meetings. All meetings of the Members shall take place in Ames, Iowa as shall be designated by the notice of the meeting.

Section 2.8. Membership List and Voting Requirements. The Secretary shall maintain the Membership List. The Membership List shall designate those Class A and Class B Members entitled to vote at a meeting of Members and shall be arranged in alphabetical order, with their addresses. The Membership List shall be kept on file at the registered office of the Association and shall be subject to inspection by any Member at any time during usual business hours. The Membership List shall also be produced and kept open at the time and place of any meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The Membership List shall be presumptive evidence as to who are the Members entitled to examine such record or to vote at any meeting of the Members. Failure to comply with the requirements of this subsection shall not affect the validity of any action taken at such meeting.

Section 2.9. Conduct of Meetings, Exclusion of Non-Members. All meetings of the Members shall be conducted under the guidance of the Moderator, who shall allow all Members to express themselves, provided the expression is in an orderly manner. At any meeting of the Members, they may vote to exclude from the meeting all non-Members, unless such exclusion would violate Iowa law. The rules contained in the current edition of Robert's Rules of Order shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and/or any special rules of order the Association may adopt.

Section 2.10. Quorum of Members.

Section 2.10.1. Basic Quorum. Fifteen percent (15%) of the Class A and fifteen percent (15%) of the Class B Members shall constitute a quorum at any meeting of the Members.

Section 2.10.2. Basic Voting Requirement, Exception. If a quorum is present, the affirmative vote of the majority of the Members present at the meeting and entitled to vote on the subject matter shall be the act of the Members unless the vote of a greater number is required by the Association's declaration of covenants, conditions, and requirements or the Iowa Non-profit Association Act, the Articles or the Bylaws.

Section 2.10.3. Lack of Quorum. Should less than a quorum be present, a majority of the Members present may adjourn the meeting from time to time without further notice. Any business may be transacted at an adjourned meeting that could have been transacted at the meeting as originally called provided a quorum is present at the adjourned meeting.

Section 2.10.4. Loss of Quorum. If a quorum is present at the organization of a meeting but Member withdrawals thereafter leave less than a quorum, those of the Members remaining present may continue to conduct business until adjournment; but their acts to be the acts of the Members shall require the same majority vote as is called for in this Subsection.

Section 2.11. Proxies, Voting Agreements. Any Member may vote by absentee ballot or by proxy at any meeting of the Members, but no Member shall enter into a voting agreement with any other Member.

Section 2.12. Informal Action by Members. Any action required by the Iowa Nonprofit Association Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by a majority of the Members.

Section 2.13. Voting by Ballot. Voting on any question or in any election may be by voice unless the Moderator shall order or any of the Members shall demand that voting be by either a show of hands or a paper ballot.

Section 2.14. Inspectors. The Moderator at any meeting of the Members may appoint two or more inspectors to act at such meeting or any adjournment thereof. If the Moderator fails to appoint inspectors, the Members may do so. Such inspectors shall faithfully execute the duties of inspectors. At such meeting, the inspectors shall receive and take charge of the proxies and paper ballots and count them, making a report to the Members of the results. An inspector shall be a

Member. Any Member may be an inspector on any question other than a vote for or against a proposal in which the Member shall have a material interest or shall be a candidate for the Board.

ARTICLE III BOARD OF DIRECTORS

Section 3.1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 3.2. Number, Tenure, and Qualifications.

Section 3.2.1. Number. The Association shall be governed by a Board of Directors of nine (9) members. All Directors must be Members.

Section 3.2.2. Nomination of Director Candidates. The Directors shall be elected from persons nominated by the Nominating Committee and/or from persons nominated from the floor during the Annual Meeting of the Members. The Nominating Committee shall nominate at least one candidate for each Director position being elected. The nominations provided by the Nominating Committee shall be submitted to the Members prior to the Annual Meeting of the Members. The Nominating Committee shall select names for nomination in a manner that insures that there shall always be at least one Director who is a Class B Member.

Section 3.2.3. Nominating Committee. The Nominating Committee shall consist of at least one Director who is not eligible for re-election and at least two non-Directors, appointed by the President sufficiently prior to the annual meeting of Members that the Committee is able to provide the names in time to be submitted to the Members as provided below.

Section 3.2.4. Nominations from the Floor. Nominations for Director may be made from the floor at the Annual Meeting of Members however, such nominations can only be made with the consent of the nominee and such nominations shall be made in a way to ensure that at least one Director shall be a Class B Member.

Section 3.2.4. Classes of Directors. The term of office for a Director shall be for a period of three years. The term of office for Directors shall commence immediately following the Annual Meeting of Members at which elected. No Director may serve more than two consecutive terms.

Section 3.2.5. Election of Directors. The election of Directors shall take place at the Annual Meeting of the Members. The Secretary shall receive the nominations of the Nominating Committee and deliver a ballot with the nominees' names to the Members not less than fifteen (15) days before the date of the Annual Meeting of Members. At the Annual Meeting the Members shall deliver their ballots to the Secretary or to the Inspectors who may have been appointed. If only one candidate for each position is nominated a voice vote of the Members may be taken.

Section 3.3. Annual Meeting of Board. The Annual Meeting of the Board of Directors shall be held in the City of Ames, Iowa on the same date, at the same place as and shall be subsequent to the Annual Meeting of the Members, for the purpose of electing the officers of the Association, who shall also be the officers of the Board of Directors, and for the transaction of such other business as may come before the Board.

Section 3.4. Regular Meetings. Regular meetings of the Board of Directors may be held at such place in the City of Ames, Iowa and at such times as the Board of Directors shall by resolution fix and determine from time to time. Notice shall be given for any such regular meeting of the Board as prescribed by the resolution.

Section 3.5. Special Meetings; Notice.

Section 3.5.1. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by direction of the President, or a majority of the Directors at the time being in office. The President or Directors calling for the meeting shall use electronic mail or telephone queries to determine the best time for the majority and quorum of Directors to attend and participate.

Section 3.5.2. Notice. Notice of each such meeting shall be delivered to each Director, at least two (2) days before the date on which the meeting is to be held. Each notice shall state the date, time and place of the meeting and the specific business to be conducted. Business at the special meeting shall be restricted to that which is included in the notice of the meeting.

Section 3.6. Director's Assent Presumed. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.7. Order of Business.

Section 3.7.1. At meetings of the Board of Directors, business shall be transacted in such order as, from time to time, the Board of Directors may determine by resolution.

Section 3.7.2. At all meetings of the Board of Directors, the President or, in the absence of the President, the Vice President, or, in their absence, the Secretary, or, otherwise, the person designated by the vote of a majority of the Directors present shall preside.

Section 3.7.3. The rules contained in the current edition of Robert's Rules of Order shall govern the Board of Directors in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Board may adopt.

Section 3.8. Quorum and Manner of Acting. A majority of the number of Directors then holding office shall constitute a quorum for the transaction of business.

Section 3.9. Resignation. Any Director of the Association may resign at any time by giving written notice to the Board of Directors or the Association. The resignation of any Director shall take effect upon delivery of notice thereof or at such later date as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.10. Removal. A Director shall be subject to removal, with or without cause, at a special meeting of the Members called for that purpose. The Director may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors. A Director may also be removed for missing more than two board meetings in any calendar year. The Director may be removed for this reason only if a majority of the Directors then in office votes for the removal.

Section 3.11. Vacancies. Any vacancy occurring in the Board of Directors through death, resignation, removal or any other cause, shall be filled by the affirmative vote of a majority of the Directors then in office, even if less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall serve only until the next election of Directors at which time a new Director shall be elected to complete the unexpired term of the vacancy.

Section 3.12 Action without meeting. Action normally required to be taken at a meeting of Board of Directors, but due to a situation requiring prompt action a meeting of the Directors may be accomplished by electronic means as follows:

Section 3.12.1 Electronic Mail. The President or Vice-President, or any other officer in their absence, may initiate and conduct an electronic mail query of all of the Directors, describing the nature of the situation requiring prompt action and suggesting possible actions to be considered by the Directors. Electronic responses to the query made by each Director shall be sent simultaneously to all of the directors and no electronic voting shall be conducted until it appears that all Directors have had an opportunity to discuss the options, present alternative options, and express their opinions. At least a majority of the Directors must take part in the voting. The results of the voting shall be reported in the minutes of the next regular meeting of the Board of Directors.

Section 3.12.2 Conference Telephone Meetings. The Board of Directors may meet via conference telephone or other electronic means of communication by which all persons participating in the meeting can simultaneously hear and communicate with each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting. For any action to be taken a quorum of Directors must participate and vote. The results of such meeting shall be reported in the minutes of the next regular meeting of the Board of Directors.

Section 3.13. Committees.

Section 3.13.1. The Board of Directors, by resolution adopted by the affirmative vote of a majority of the number of Directors then in office, may establish one or more committees or subcommittees, each committee and each subcommittee shall consist of two or more members. The Chairs and members of committees and subcommittees shall be appointed by the Board of Directors. The members of such committees or subcommittees may be Directors, Members or non-Members, so long as the majority of each committee or subcommittee are Members. Any such committee or subcommittee shall serve at the will of the Board of Directors. Each such committee or subcommittee shall have the powers and duties delegated to it by the Board of Directors. The Board of Directors may elect one or more of its members as alternate members of or as liaison to any such committee or subcommittee. The duty of a liaison is to communicate suggestions from the Board of Directors to the committee or subcommittee, to report on the activities of the committee or subcommittee and to relay suggestions, requests, and concerns from the committee or subcommittee to the Board of Directors. Each such committee or subcommittee shall fix its own rules governing the conduct of its activities as the Board of Directors may request.

Section 3.13.2. A committee of the Board of Directors shall not undertake any act prohibited by Section 504.826 of the Iowa Non-profit Corporation Act.

ARTICLE IV OFFICERS

Section 4.1. Designated Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors from among the members of the Board of Directors. These officers of the Association shall also be the President, Vice-President, Secretary, and Treasurer, respectively, of the Board of Directors. Such other officers, assistant officers and/or acting officers as may be deemed necessary may be appointed by the Board of Directors. Chairs of committees and subcommittees are not officers of the Association or of the Board.

Sections 4.2. Dual Offices. No Director may hold more than one office. In its discretion, the Board of Directors may delegate the powers or duties of any officer to any other member of the Board of Directors or agents, notwithstanding any provision of these Bylaws.

Section 4.3. Election and Term of Office. The officers of the Association shall be elected by the Board of Directors for a one-year term and may be re-elected; except the President may serve a maximum of two consecutive terms. Election of an officer shall not of itself create contract rights.

Section 4.4. Resignation. Any officer may resign at anytime by giving written notice to the Board of Directors, its Chair or the Association. The resignation of any officer shall take effect upon delivery of notice thereof or at such later date as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer's resignation does not affect the Association's contract rights, if any, with the officer.

Section 4.5. Removal. Any officer may be removed by the Board of Directors, with or without cause pursuant to Section 3.11, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.6. Requirement That Officer Also Be a Director. Any officer who holds office by virtue of being an officer of the Board shall cease being an officer of the Association upon ceasing to be a Director.

Section 4.7. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.8. The President. The President shall, when present, preside at all meetings of the Board of Directors and the Association membership. The President may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. The President shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the Bylaws or by the Board of Directors from time to time.

Section 4.9. The Vice President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary, documents for the Association as authorized by the Board of Directors and shall perform such other duties as may be assigned to the Vice President by the President or by the Board of Directors or prescribed by the Bylaws.

Section 4.10. The Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association in one or more books provided; co-sign all legal documents on the mortgage, conveyances or transfer of real estate; serve notice of all meetings of the Board of Directors and of the Association; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as required by the Board.

Section 4.11. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) keep full and accurate records and accounts of the Association, showing the transactions of the Association, its accounts, liabilities and financial condition and see that all expenditures are duly authorized and are evidenced by proper receipts and vouchers; (c) deposit in the name of the Association in such depository or depositories as are approved by the Board of Directors, all moneys that may come into the Treasurer's hands for the Association's account; (d) render an account of the financial condition of the Association at least annually; and (e) in general, perform such duties as may from time to

time be assigned to the Treasurer by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 4.12. Salaries. No Director or Officer shall receive a salary. The Board may adopt a policy for reimbursing the reasonable expenses incurred by a Director in furtherance of the affairs of the Association.

ARTICLE V BOARD POLICIES

Section 5.1 The Board may adopt Policies to provide rules and regulations not otherwise specified in the declaration of covenants, conditions, and requirements or in these Bylaws.

Section 5.2 Members of the Association or members of the Board may suggest to the Board the need for a new Policy or a revision to an existing Policy.

Section 5.3 The Board may act as a committee of the whole, or appoint an *ad hoc* committee, or designate an existing committee to draft a new Policy or a revision to an existing Policy.

Section 5.4 Drafts of a new Policy or a revision to an existing Policy may be presented to the Board at any regular or special meeting of the Board. If a majority of the Board approves, the draft shall be presented to the Association membership for a comment period that shall be not less than twenty (20) days.

Section 5.5 Presentation to the Members may be by electronic communication to those members with e-mail and by hard copy to those without e-mail. Comments from the Members are to be made in writing to the Board by electronic communication or by hard copy.

Sections 5.6 At a regular or special meeting of the Board subsequent to the comment period, the Board shall review the comments and either adopt, by two-thirds vote, the draft policy as presented to the Members, or revise the draft and re-present the redrafted policy to the Members for a comment period not less than twenty (20) days with comments from the Members to be in writing to the Board by electronic communication or hard copy, or, discontinue further consideration of the draft Policy.

Section 5.7 There shall be no limit to the number of times a draft Policy can be presented to the Members.

Section 5.9 Once a draft Policy has been adopted by the Board, such Policy shall be presented to the Members for information and shall become effective thirty (30) days after presentation to the Members.

Section 5.10 Board policies in existence at the time these Bylaws are adopted will be deemed to be Policies adopted in accordance with this Article.

ARTICLE VI CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 6.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

Section 6.2. Loans, Sales or Purchases of Real Estate. No loans, sales of real estate or purchases of real estate shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a two thirds vote of the Class A and of the Class B Members. The membership may authorize either the President or Vice President to execute such contracts, which must also be counter-signed by the Secretary or Treasurer.

Section 6.3. Checks, Drafts, etc. All checks, drafts, other orders for the payment of money, notes

or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6.4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trusts companies or other depositories as the Board of Directors may select.

Section 6.5. Conflicts of Interest. The Board shall not contract with any company owned or operated wholly or in part by any Director or Committee chairperson or their family members unless there are no alternatives. Board and Committee chairpersons or their family members may not be paid for labor performed for the Association. A Director must recuse himself/herself from any discussion or voting where a conflict of interest may be possible.

ARTICLE VII FISCAL YEAR

The fiscal year of the Association shall be as fixed by the Board of Directors. In the event the Board of Directors fails to specifically designate a different fiscal year, then the fiscal year shall be the calendar year.

ARTICLE VIII NO CORPORATE SEAL

The Association shall have no corporate seal.

ARTICLE IX NONLIABILITY/INDEMNIFICATION

No director, officer, employee or member of the Association shall as such, be liable on its debts or obligations and no director, officer, member or other volunteer shall be personally liable as such, for any claim based upon an act or omission of such person performed in the discharge of such persons' duties except (1) for any breach of the duty of loyalty to the Association, (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (3) for any transactions from which such person derived an improper personal benefit.

Except for any prohibition against indemnification specifically set forth in these Bylaws or in Chapter 504, Code of Iowa, at the time indemnification is sought, this Association shall indemnify any person who is or was a director, officer, employee, member or volunteer of this Association, or any such person who, while a director, officer, employee, member or volunteer of this Association, is serving or has served, at the request of this Association, as a director, officer, partner, member, manager, trustee, employee, or agent of another Association, partnership, limited liability company, joint venture, trust, other enterprise, or employee benefit plan to the fullest extent possible, against expenses, including attorney fees, judgments, fines, settlements and reasonable expenses, actually incurred by such person relating to his conduct as a director, officer, employee, member, or volunteer of this Association, or as a director, officer, partner trustee, employee, or agent of such other Association, partnership, joint venture, trust, other enterprise, or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply (1) to a breach of such persons duty of loyalty to the Association, (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing

violation of the law, or (3) for any transaction from which such person derived an improper personal benefit. The foregoing right of indemnification shall also inure to the benefit of any such indemnified person's heirs, executors, personal representatives, and administrators.

ARTICLE X WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of the Articles of Incorporation, these Bylaws or the Iowa Business Association Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.1. Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Association may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 11.2. Delivery. Any time these Bylaws require a document or notice to be delivered it may be delivered in person, by mail, commercial delivery, or electronic transmission. If mailed, such document shall be deemed to be delivered five days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the Membership List, with first class postage thereon paid. An electronic transmission must contain the following statement so it can be determined that the person transmitting it in fact authorized the electronic transmission: "The party transmitting this electronic transmission (a) is (insert name of Member), who is a Member of the Stone Brooke Homeowners' Association, or (b) has been given authority by this Member to transmit this electronic transmission."

ARTICLE XII AMENDMENTS TO BY-LAWS

Section 12.1. These Bylaws replace all prior Bylaws of the Association. These Bylaws may be amended only as follows. An amendment may be proposed by any Member or Director. Any proposed amendment shall be submitted to the Board. The Board of Directors shall consider it and vote whether to submit it to a vote of the Members. If the Board votes to submit, the amendment shall be delivered to the Members not less than fifteen (15) days prior to the next meeting of the Members; if not, the amendment shall not be considered. If submitted to the Members, the Members may adopt the amendment by a majority vote of the Members present at any regular or special meeting provided a quorum is present.

Section 12.2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

Bylaws of the Stone Brooke Homeowners' Association

The foregoing were adopted at the annual meeting of the Members of the Association on the 25th day of May, 2011.