

**BYLAWS
OF
SANDHILL ESTATES OWNERS ASSOCIATION**

These are the Bylaws of Sandhill Estates Owners Association (hereinafter referred to as "Association") a corporation organized pursuant to Chapter 504A of the Code of Iowa.

I. MEMBERS AND VOTING RIGHTS

1. The owners in each Part of Sandhill Estates Subdivision shall constitute the members of the corporation and membership shall automatically cease upon termination of all interests which constitute a person an owner. Whenever only one spouse is a record titleholder, the other spouse shall be considered an owner for purposes of membership, and shall be bound by the provisions of all Association documents.

2. An owner of record shall be recognized as a member without further action for so long as he/she holds an ownership interest. If ownership is acquired but not of record, or if acquired other than by way of conveyance or other formal instrument of transfer (such as by death, judicial act or dissolution), the person acquiring or succeeding to ownership shall present the Board of Directors of the Association evidence satisfactory to it of facts evidencing lawful ownership status prior to exercise of any rights of membership in the Association. Failure to provide such evidence shall not, however, relieve an owner of his/her ownership obligations. A fiduciary or other official acting in the representative capacity shall exercise all membership rights and privileges of the owner represented.

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

4. The owners of each Lot shall be entitled to one vote on all matters to be determined by the members of the Association. Votes of a single Lot may not be divided.

II. MEMBERS' MEETINGS

1. The annual and any special meetings shall be held at a time and at a place within Johnson County, Iowa, chosen by the Board of Directors and all such meetings, annual or special, shall be held at such particular time and place as is set forth in the notice thereof.

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

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

4. Notice of members' meetings shall be given by mailing or delivering same not less than ten (10) days, nor more than thirty (30) days prior to the date of the meeting. Notice shall be deemed to be given if mailed by First Class Mail to the member at the address of his/her Lot, unless at the time of giving such notice such member has given written direction, delivered to an officer or member of the Board of Directors specifying a different mailing address to be carried on the rolls of the Association. If more than one person is the owner of the same Lot or if more than one fiduciary or one official is acting in the premises, notice to such person shall be deemed to have been given, when given in accordance with this paragraph to the person named in the certificate filed with the Board of Directors in accordance with Paragraph 3 of Article I. Notice of any meeting may be waived in writing by the person entitled thereto and is waived by attendance at such meeting.

5. A quorum at a members' meeting shall consist of the presence of members in person or by proxy, representing a majority of the Lots. The acts carried or approved by a vote of a majority of the Lots represented at a meeting at which a quorum is present shall constitute the acts of the membership unless a different rule is provided herein or by the Articles of Incorporation, the Declaration or other agreement to which the Association is a party.

The President, or, in his/her absence or disability, the Vice President shall preside at each members' meeting; if neither the President nor the Vice President is able to preside, a Chairman shall be elected by the members present at such meeting.

6. At any membership meeting, a person holding a member's proxy to vote shall be permitted to participate in such meeting and shall be permitted to cast such member's vote on all questions properly coming before such meeting, provided such proxy is in writing and signed by a member or other person entitled to cast votes, and shall set forth the Lot with respect to which such rights are pertinent, and the period which the proxy is to be in force and effect. The decision of the Board of Directors as to the sufficiency of any proxy for recognition shall be final and not subject to appeal to the members.

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

- A. Election of Chairman, if required.
- B. Calling roll and certification of proxies.
- C. Proof of notice of meeting or waiver of notice.
- D. Approval of minutes of prior meeting(s).
- E. Reports of officers, if applicable.
- F. Reports of committees, if applicable.
- G. Election of Directors, if applicable.
- H. Unfinished business.
- I. New Business.
- J. Adjournment.

III. BOARD OF DIRECTORS

1. The affairs of the Association shall be managed by an initial Board of one (1) Director. The initial Board shall consist of such persons as the Southgate Development Co. Inc. may appoint and need not be member of the Association. The initial Board shall serve until the first annual members' meeting. From and after the first annual meeting of members, the Board members shall be selected from the members of the Association, except as provided in Paragraph 2 below.

2. At the first annual members' meeting and at each annual meeting thereafter, three (3) Directors shall be elected and the term of office of each Director shall extend until the next annual meeting of the members and thereafter until a successor is duly elected and qualified or until he/she is removed in the manner as elsewhere provided. For so long as Southgate Development Co., Inc owns twenty-five percent of the Lots at the time such Directors are to be elected, Southgate Development Co., Inc shall have the right to elect or appoint a majority of the members of the Board, who need not be Lot Owners, and thereafter shall be entitled to elect

or appoint at least one member of the Board until all Lots have been sold by Southgate Development Co., Inc. Directors appointed by the Southgate Development Co., Inc shall have the same voting rights as Directors elected by the members.

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

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

5. The initial Director shall be subject to removal only by the Southgate Development Co., Inc. Thereafter, a Director may be removed by concurrence of seventy-five percent (75%) of the members of the Association present at a special meeting called for that purpose. The vacancy on the Board of Directors so created shall be filled by the persons entitled to vote at the same meeting.

6. The initial Director as well as any other Directors appointed by the Southgate Development Co., Inc shall serve without compensation. Directors elected by the members shall receive such compensation and expenses as is approved by the persons entitled to vote at any annual or special meeting.

7. An organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary. An organizational meeting of the Association to elect successors to the initial Board of Directors of the Association shall be held not later than thirty (30) days following the sale of fifty percent (50%) of all the Lots in the regime.

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

9. A quorum at the Directors' meeting shall consist of two-thirds of the entire Board of Directors. The acts approved by a majority of those present at a meeting duly called at which a quorum is present shall constitute the acts of the entire Board of Directors, except where approval by a greater number of Directors is required by the Declaration or these Bylaws.

10. The presiding officer of a Director's meeting shall be the President, or in his/her absence, the Vice President.

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

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation, and the Declarations of Restrictions & Covenants for Parts One and Two of Quail Ridge Subdivision. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declarations:

1. The collection of assessments against members for all common expenses.

2. Use of the proceeds of assessments in the exercise of its powers and duties.

3. The maintenance, repair, replacement and operation of the Association property including all common elements and facilities, and the making or providing for payment for all such work and approving or delegating to the officers authority to approve vouchers therefore.

4. The enforcement by legal means of the provisions of the Articles of Incorporation, Bylaws of the Association, Declaration, and to take legal action in the name of the Association and on behalf of its members. In the event of such proceedings the Association shall be entitled to recover the cost thereof, including reasonable attorney fees, from the owner or other party.

5. To carry insurance on the Association property and insurance for the protection of Lot owners, and occupants and the Association.

6. To conduct all votes or determinations of the members other than at a membership meeting.

11. To borrow money from any bank, lending institution or agency for the use and benefit of the Association and to secure the loan or loans by pledge of the assets of the Association, and from time to time to renew such loan and give additional security.

12. To do such other acts as are necessary and proper to effect the purpose of the Regime as stated in the Declaration and these Bylaws provided such acts are not otherwise prohibited.

V. OFFICERS

1. The officers of the Association shall be the President, who shall be a Director, a Vice President, who shall be a Director, and a Treasurer and Secretary which offices shall be filled by one person, who need not be either a Director or member, all such officers shall be elected annually by the Board of Directors and may be peremptorily removed and replaced by the vote of two-thirds of the Directors at any meeting. The initial officers and their successors until the first annual meeting shall be chosen by the initial Board of Directors and shall serve until the first annual membership meeting. The Board of Directors may from time to time create and fill other offices and designate the powers and duties thereof. Each officer shall have the powers and duties usually vested in such office, and such authority as is committed to the office by the Bylaws or by specific grant from the Board, but subject at all times to the provisions of the Bylaws and to the control of the Board of Directors.

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

3. The Vice President shall preside over the 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 and Treasurer, which shall constitute one office, 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 Association and shall keep or be in charge and control of the records of the Association and additionally as Treasurer have control of the funds and other

property of the Association and shall keep the financial books and records thereof.

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

6. Any instrument affecting an interest in real property may be executed by the President or Vice President and one other officer upon authorization of the Directors or in such manner as the Directors may otherwise direct.

VI. FISCAL MANAGEMENT

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

(a) Current expenses which shall include all funds and expenditures to be made for the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement which shall include funds for repair or replacement required because of damage, destruction, depreciation or obsolescence.

2. The Board of Directors shall assess against each Lot and the owners thereof shall be liable for, a share of the items in the budget adopted pursuant to paragraph 1 equal to such Lot's pro rata share of common expenses. Such share shall be assessed annually in advance for the fiscal year for which the budget was prepared and notice of such assessments shall be mailed or delivered not less than thirty (30) days prior to the first day of such fiscal year. Such assessment shall be due and payable from the respective Lot owner. In the event notice of such assessment is not timely given, the assessment will not change but the due date for each installment which would otherwise be due and payable, less than thirty (30) days from the giving of such notice, shall be due and payable on the due date of the first installment which is due not

less than thirty (30) days from the date of such notice was mailed or delivered. In the event the annual assessment proves to be insufficient, the budget and assessments, therefore, may be amended at any time by the Board of Directors. Such amended budget may be adopted at a special Directors meeting upon an affirmative vote of a majority of the Directors. The additional amount so budgeted shall be assessed to each Lot in the same manner as assessments for the annual budget and shall be prorated among the remaining installments due and payable in such year.

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

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

5. The holder of a mortgage on any Lot, upon its filing written request with the Association, may be given written notice by the Association of the nonperformance of a mortgagor's obligations under these Bylaws, the Declaration or other condominium documents, which is not cured within thirty (30) days.

6. All sums assessed but unpaid, including but not limited to, interest with respect to a Lot or against a Lot owner shall constitute a lien on such Lot prior to all other liens except tax liens on the Lot in favor of any assessing Lot and special district.

The Association may sue for money judgment for unpaid assessments and interest or sums due without foreclosing or waiving any lien which it holds.

Alternatively the Association may bring suit against any owner for the amount of any unpaid assessments and shall be entitled to recover the costs thereof, including reasonable attorney's fees, from the owner. These remedies shall be cumulative and not in lieu of any other remedy allowed by law.

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 against the grantor or prior owner, but without prejudice to the right of such grantee or devisee to recover from the grantor the amounts paid therefor. The grantee or other successor in interest of an individual subject to a levy of an assessment on account of default shall be liable for any such special assessment.

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

VII. AMENDMENTS

1. These Bylaws may be amended, altered, repealed or new Bylaws adopted by the members at a regular or special meeting of the members upon the affirmative vote of 66 2/3% of all votes entitled to be cast; provided, however, no amendment effecting a substantial change in these Bylaws shall affect the rights of the holder of any mortgage recorded prior to recordation of such amendment who does not join in the execution thereof and who does not approve said amendment in writing.

2. No amendment may be adopted at either a special or regular membership meeting not included in the notice thereof, except if notice of the proposed amendment has been given, an amendment relative to the same subject may be adopted by those present, in person or by proxy and possession the requisite percentage of membership and voting interests, provided further, no vote by proxy may be counted unless the proxy expressly provides for such contingency. Notice referred to herein shall be given in the manner prescribed and to the persons described in Article II Section 4. More than one proposed amendment may be included in the notice of a meeting.

3.

VIII. MISCELLANEOUS PROVISIONS

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

2. The Association shall not have and employ a corporate seal.

3. The Board of Directors may require fidelity bonds from all Directors, officers, or agents handling or responsible for Association funds and the expense of such bonds shall be common expense of the Association.

4. The Association shall at all times maintain separate and accurate written records of each Lot and owner and the address of each, and setting forth the status of all assessments, accounts and funds pertinent to that Lot and owner. Any person other than a Lot 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.

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

Dated this 7th day of June, 2004.

Teresa L. Morrow

By: Teresa L. Morrow

Prepared by and Return to: C. Joseph Holland, 123 N. Linn St., Suite 300, Iowa City, IA 52245 (319)354-0331

**AFFIDAVIT REGARDING BYLAWS OF SANDHILL ESTATES
OWNERS ASSOCIATION**

STATE OF IOWA)
) ss:
JOHNSON COUNTY)

I, C. Joseph Holland, being first duly sworn, do on oath depose and state as follows:

1. I am an attorney licensed by the Supreme Court of Iowa practicing primarily in Johnson County, Iowa.

2. In the course of my professional practice I prepared the Articles of Incorporation of Sandhill Estates Owners Association and the Bylaws for that Association.

3. The Articles of Incorporation were filed with the Iowa Secretary of State on June 3, 2004.

4. On June 7, 2004 the Bylaws were signed by Teresa L. Morrow who was the Initial Director of the Association, as named in the Articles of Incorporation.

5. It has now come to my attention that there is a scrivener's error in Article IV of the Bylaws. The opening paragraph of Article IV makes reference to the "Declarations of Restrictions & Covenants for Parts One and Two of Quail Ridge Subdivision."

6. That reference should appropriately be to the "Declaration of Restrictions & Covenants Sandhill Estates Part One." That Declaration was recorded June 14, 2004 in Book 3748, Pages 798-806, inclusive, in the records of the Johnson County Recorder.

7. A similar Declaration for Sandhill Estates Part Two was recorded July 15, 2004, in Book 3766, Pages 962-970, inclusive, in

the records of the Johnson County Recorder and included owners of lots in Part Two as members of the Association.

8. A similar Declaration for Sandhill Estates Part Three was recorded August 11, 2015, in Book 5410, Pages 63-71, inclusive, in the records of the Johnson County Recorder and included owners of lots in Part Three as members of the Association.

9. Article I, paragraph 1, provides that owners "in each part of Sandhill Estates Subdivision" shall constitute the members of the Association.

10. I am making this Affidavit to explain the scrivener's error in Article IV of the Bylaws of the Association and to confirm that as of the date of this Affidavit the owners of lots in Parts One, Two, and Three of Sandhill Estates are members of the Association.

Dated this 8th day of June, 2016.


C. Joseph Holland

Subscribed and sworn to before me this 8th day of June, 2016
by C. Joseph Holland.


Notary public in and for said State

