

BYLAWS
OF
CREEK VIEW OWNERS ASSOCIATION, INC.
(A nonprofit Iowa corporation organized
under Chapter 504 Iowa Code)

ARTICLE I

Scope and Definitions

1. The following are Bylaws of Creek View Owners Association, Inc., a nonprofit corporation organized under Chapter 504, Code of Iowa, (the "Association") which govern the council of co-owners of Lots 1 through 36, inclusive, Creek View Addition to the City of Marion, Linn County, Iowa (the "Lots").
2. The term "person" shall include a corporation, trust or other entity or representative. All references in the plural or singular shall include the other according to context, and all references to gender shall include male, female or neuter according to context.

ARTICLE II

Members and Voting Rights

1. Subject to the qualifications set forth in paragraph 2 below, the owners of record of the Lots shall constitute the members of the corporation, and membership shall automatically cease when the record ownership of such Lot is terminated.
2. If ownership is acquired or terminated by instrument of transfer but not of record, or, if acquired or terminated other than by way of instrument of transfer (such as by death, judicial act or dissolution), the person acquiring or succeeding to ownership shall present the board of directors of the corporation evidence satisfactory to it of facts evidencing lawful ownership status. A fiduciary or other official acting in a representative capacity shall exercise all membership rights and privileges of the owner or property right in respect to which he is serving.
3. If more than one person owns an interest in the same Lot, all such persons shall be members and remain jointly and severally liable for all membership obligations. In such cases, or if more than one fiduciary or other official is acting in the premises, the votes entitled to be cast by the owners of that Lot shall be cast by the person or persons named on a certificate signed by all owners or fiduciaries or other officials. If such certificate is not executed and filed with the Association, the number of votes entitled to be cast with respect to that Lot shall not be counted or voted for purposes of a quorum or in determining the outcome of any vote unless all owners, or fiduciaries, or officials are present and concur in the casting of such votes. This restriction, however, shall not affect the total number of votes outstanding and entitled to be cast which shall be equal to the number of Lots, nor shall it affect the percentage of such total number of votes as required for any purpose as set forth in the Declaration of Covenants, Restrictions and Easements governing the Lots.
4. The total number of votes outstanding and entitled to be cast by all members is equal to the number of Lots. The owner of each Lot shall be entitled to one (1) vote. If there is more than one owner, the owners shall be entitled to one (1) vote collectively. All votes cast by members collectively shall be cast as one (1) vote and may not be divided.

ARTICLE III

Membership Meetings

1. The annual meeting and any special meeting shall be held within Linn County, Iowa, and all such meetings, annual or special, shall be held at such particular time and place (which may or may not be at the registered office of the corporation), as is set forth in the notice.

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

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

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

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

- A. Election of chairman, if required.
- B. Calling roll and certifying of proxies.
- C. Proof of notice of meeting or waiver of notice.
- D. Reading and disposal of any unapproved minutes.
- E. Reports of officers, if applicable.
- F. Reports of committees, if applicable.
- G. Election of inspectors of election, if applicable.
- H. Election of directors, if applicable.
- I. Unfinished business.
- J. New business.
- K. Adjournment.

Robert's Rules of Order shall govern unless specifically superseded.

6. At all membership meetings, the presence of an owner and the exercise of the voting rights of the owner by proxy shall be permitted and recognized, provided such proxy must be in writing and signed by all persons possessing an ownership interest in the Lot in question and shall set forth the period for which the proxy is to be in force and effect. The decision of the board of directors as to the sufficiency of any proxy for recognition shall be final and not subject to appeal to the members.

7. Notice shall be given by mailing or delivering the same not less than ten nor more than fifty days prior to the date of the meeting. A mailed notice shall be duly given if addressed to the member at the address of his or her Lot, unless at the time of giving of such notice, the member has in writing directed a different mailing address to be carried on the rolls of the corporation. If a Lot is

owned in common or jointly, notice is duly given to the person named in the certificate required by paragraph 3 of Article II.

8. The annual meeting of the members shall be held in February of each year, commencing in February of 2008. The provisions of this paragraph shall not inhibit the calling or holding of any special meeting.

ARTICLE IV

Board of Directors

1. The corporation and its affairs shall be governed, managed, and administered by a board of directors. The initial board is two in number and the initial Director shall be Jon Dusek and Anace Aosse.

2. From and after the expiration of the term of the initial director, the Board of Directors shall be three (3) in number. At such time, the full complement of three (3) directors shall be elected. Thereafter, the term of office for each director shall be three (3) years, except following the expiration of the term of the initial directors, one (1) director shall be elected for a one (1) year term, one director shall be elected for a two (2) year term, and one director shall be elected for a three (3) year term so that at each annual meeting after the initial meeting, the terms of office of one third of the board shall expire and a new director shall be elected accordingly. There shall be no limitation on the number of terms during which a director may serve. All directors shall serve until their successors are duly designated and qualified.

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

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

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

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

ARTICLE V

Officers

1. The officers of the corporation shall be the President, who shall be a director, a Vice-President, who shall be a director, a Treasurer and a Secretary, who may or may not be directors but who must be members, all of whom shall be elected annually by the Board of Directors, except that the initial officers and their successors shall be chosen by the initial Board of Directors, and the initial

officers need not be members of the corporation. The Board of Directors may from time to time create and fill other offices and designate the powers and duties. Each officer shall have the 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. More than one office may be held by a single person.

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

3. The vice-president shall preside over membership meetings in the absence or disability of the president, and shall otherwise exercise the powers and duties of the president in the event of the absence or disability of the president, and shall generally assist the president and exercise such other powers and duties as are prescribed by the directors.

4. The secretary shall keep the minutes of all proceedings of membership meetings and directors' meetings and shall have custody and control of the minute book of the corporation, and shall keep or be in charge and control of the records of the corporation except those of the treasurer, and shall give notice where required or directed to do so.

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

6. The officers and directors shall not receive compensation unless the members authorize payment of compensation. This provision shall not preclude the board of directors from employing a director as an employee, nor from contracting for services for the Association.

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

ARTICLE VI

Powers and Duties of the Board of Directors

All of the powers and duties of the corporation, shall be exercised by the board of directors. Such powers and duties of the directors shall include, but shall not be limited to, the following:

1. To make and collect assessments against members for all common expenses.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. The maintenance, repair of the storm sewer detention easement and the construction of improvements or alterations if authorized by the members, and making or providing for the payments for all such work and approving or delegating to the treasurer authority to approve vouchers therefor.
4. To make and amend regulations restricting the use of the storm water detention easement.

5. To enforce by legal means the rights of the Association with respect to the storm water detention easement.

6. To contract for the management and to delegate to such contractor or contractors all powers and duties of the Association for maintenance, repair, and reconstruction of the storm water detention easement area.

7. To carry insurance for the protection of owners and the Association against casualty, liabilities, and other contingencies.

ARTICLE VII

Common Expenses; Assessments and Collection

1. The common expenses of the Association include all those legitimately assumed by it in connection with its powers, duties and obligations to maintain, repair, and reconstruct the storm water detention easement area.

2. Assessments against the Lots and the owners thereof shall be made by the Association in order to provide funds for the discharge of all common expense of the Association, which assessments, in addition to being and constituting a lien against the Lot in question and the appurtenances thereto shall also be a personal liability of the owner and jointly and severally if more than one owner. All assessments and funds collected therefrom shall be charged or credited to the owner's account. Unless specifically otherwise provided, all assessments shall be shared equally by the owners of each Lot.

3. Where a mortgagee or purchaser of a Lot obtains title as a result of foreclosure of a first mortgage, such mortgagee or purchaser, and his or her successors and assigns, shall not be liable for the assessments chargeable to such Lot due prior to the acquisition of title and such unpaid assessment shall be deemed to be common expenses collectible from all owners, including the mortgagee or purchaser, his or her successors and assigns. The owner of a Lot pursuant to a voluntary conveyance or by inheritance or devise shall be jointly and severally liable with the grantor or prior owner for all unpaid assessments whether generally or "specially" levied against a Lot and the grantor or prior owner, but without prejudice to the right of such grantee or devisee to recover from the prior owner the amounts paid.

A first mortgagee, upon request, shall be entitled to written notification of any default in the performance of the mortgagor of any obligation to maintain, repair, or reconstruct the common areas, which default is not cured within sixty (60) days.

4. The board of directors may adopt a budget for each fiscal year period as it elects to report on for income tax purposes which shall include the estimated funds required to defray the following common expenses:

(a) Current expense, which shall include all funds and expenditures to be made within the year for which the funds are budgeted (except expenditures chargeable to reserves or additional improvements), including a reasonable allowance for contingencies and working funds, and the assessment for current expense may sometimes be referred to as the working capital assessment and the funds as the working capital fund. Any balance in this fund at the end of each year may 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 and for replacement of common property required on

account of depreciation or obsolescence.

(c) Reserve for replacement, which shall include generally funds for repair, reconstruction and the like required because of damage, destruction or other hazards.

Upon the determination of each budget, the directors shall each year levy an assessment for the amount assessed against each Lot at least thirty days prior to the one year period covered by the budget and assessments. Notwithstanding the foregoing requirement of regular assessments, the board of directors may discontinue a regular annual assessment or reserve for replacement, or transfer such portion to another fund or account if in its judgment the amount remaining is sufficient to satisfy the best interests of the members.

5. The board may also make and levy, from time to time, assessments for common emergency or extraordinary expenses. Emergency assessments and "special" assessments shall be due and payable according to the terms fixed by the board. Funds for emergency expenses may be raised by emergency assessment and/or by regular but separate reserve accounts and assessments for such purposes.

6. The regular annual assessments made for current expense and deferred maintenance and replacement reserves or for any other purpose shall be due from and paid by the Lot owners as to their shares thereof in twelve equal monthly installments payable on the first day of each month during the one year period in question. If any installment of any assessment of any kind or character is in default for more than thirty days, the board of directors may accelerate the remaining installments and declare the entire amount thereof due and payable within twenty days after written notice thereof is mailed to the owner in default at his address carried upon the corporate records.

7. The share of all sums assessed to and payable by an owner but unpaid shall constitute a lien on the Lot or of such owner prior to all other liens, except tax liens on the Lot in favor of any assessing Lot or special district and all sums payable on a first mortgage of record, which lien may be foreclosed by the Association in a manner and with the consequences provided in the Code of Iowa. The Association may sue for money judgment for unpaid assessments or sums due without foreclosing or waiving any lien which it holds. In event of suit or foreclosure, the Association shall be entitled to collect reasonable attorney fees from owner.

8. The Association shall at all times maintain complete and accurate written records of each Lot owner and the address of each, and setting forth the status of all assessments, accounts and funds pertinent to that Lot owner. Any person other than an owner may rely on a certificate made from such records by an officer or agent of the Association as to the status of all assessments and accounts.

ARTICLE VIII

Amendment

1. Except as provided in these Bylaws, these Bylaws may be amended, altered, repealed or new Bylaws adopted by the members at a special or annual meeting of or upon a referendum ballot by the members upon the affirmative vote of seventy-five percent of the total number of votes outstanding and entitled to be cast, all in accordance with the declaration and these Bylaws.

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

may be included in the notice of a meeting.

ARTICLE IX

Indemnification of Directors and Officers

The Association shall indemnify any director or officers of the Association, any former director or officer and any such person who at the request of the Association is serving or has served as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust or other enterprise, and their heirs, executors and administrators, against all expense, liability and loss (including attorneys' fees, judgments, fines, taxes, penalties, and amounts paid in settlement) actually and reasonably incurred by the indemnitee as to action in the person's official capacity and as to action in another capacity while holding office if the person acted in good faith and in a manner reasonably believed by the person to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, the person had no reasonable cause to believe the person's conduct was unlawful. The indemnification shall include but not be limited to the amount of funding for reserve accounts, pursuing remedies for the collection of unpaid assessment and determining the extent of maintenance, repair and replacements of property managed by the Association. The indemnification shall exclude any directors' and officers' acts for gross negligence or willful misconduct in the performance of their duties to the Association unless and only to the extent that a court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the officer or director is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The obligation of the Association under this Article shall be subject to the terms and conditions of a plan of indemnification adopted by a majority of the board of directors. Any such plan may limit or condition the obligation of the Association, may grant contract rights to indemnitees, may limit indemnification to persons serving in specified offices, may provide procedural and substantive rights to indemnitees and may be amended, modified or terminated by a majority of the board of directors. A plan of indemnification may obligate the Association to indemnification which is less than the full extent permitted by applicable law and may contemplate future change in applicable law.

Indemnification under this Article shall be applicable to all actions regardless of the date or dates of any alleged transactions or occurrences giving rise to such actions unless the plan of indemnification provides to the contrary. No amendment, modification or termination of a plan of indemnification shall affect any right of indemnification arising out of a transaction or occurrence entered into or occurring prior to the effective date of such change in the plan. In the event the board of directors terminates a plan of indemnification without adopting another plan, indemnification under this Article shall be to the full extent allowed by applicable law until another plan has been adopted by the board of directors.

Indemnification under this Article or a plan of indemnification shall not restrict the power of the Association to provide for indemnification in any other manner and shall not obligate the Association to acquire and maintain insurance or to otherwise provide funds to meet its obligations.

ARTICLE X

ARBITRATION

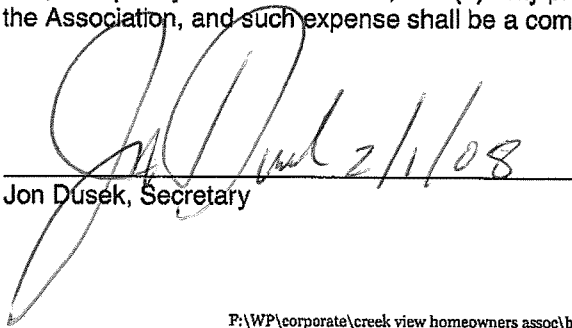
Any dispute, controversy or disagreement under this Declaration or the By-laws of the Association shall be resolved by arbitration to be conducted by and under the rules of the American Arbitration Association, to be held in Linn County, Iowa. Arbitration shall be commenced within 14 days from the date that there is no agreement between a member and the Association by the aggrieved member sending written notice to the Association at its registered office or to a director of the Association at the director's last known address. The mailing of such notice by registered or certified mail shall

commence the arbitration proceedings and any award or decision in arbitration shall be binding upon the parties as provided in Chapter 679A of the Iowa Code. The arbitration award or decision may be entered as a judgment in the Iowa District Court in and for Linn County as provided in Chapter 679A of the Iowa Code. The arbitrator does not have authority to amend the Declaration, the Articles of Incorporation or the By-Laws of the Association. The expenses of arbitration shall be borne by the Association.

ARTICLE XI

General Provisions

1. The invalidity of any portion or provision of these Bylaws shall not affect the validity of the remaining provisions or portions of these Bylaws.
2. The Association shall not have a corporate seal.
3. The Board of Directors (a) may require fidelity bonds from all directors, officers or agents handling or responsible for Association funds, except any insurance trustee, and (b) may procure an audit of the accounts and financial records of the Association, and such expense shall be a common expense of the Association.



Jon Dusek, Secretary

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