

BYLAWS  
OF  
**CARDINAL RIDGE TOWNHOMES ASSOCIATION**

**ARTICLE I. PURPOSES**

Cardinal Ridge Townhomes Association (hereinafter called the "Association") will conduct its activities to promote the purposes for which it was organized as set forth in Articles III and IV of the Articles of Incorporation. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Bylaws, the Association shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 528 of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

**ARTICLE II. OFFICES**

Section 2.1 Principal Office. The principal office of the Association in the State of Iowa shall be located in the City of Clive, Polk County, Iowa. The Association may have such other offices, either within or without the State of Iowa as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 2.2 Registered Office. The registered office of the Association 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 the registered office may be changed from time to time by the Board of Directors.

**ARTICLE III. MEMBERSHIP**

Section 3.1 Members. Every owner of a Lot in Cardinal Ridge Townhomes shall be a Member of the Association. When more than one person holds an interest in any Lot, all such persons shall be Members. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment set forth in the Declaration of Covenants, Conditions and Restrictions for Cardinal Ridge Townhomes dated August 24, 2017 (the "Declaration"). Ownership of a Lot shall be the sole qualification for membership.

Section 3.2 Voting. Subject to the provisions of Section 3.4 of this Article, the owner(s) of a Lot shall be entitled to one vote for each Lot owned. The vote for each Lot shall be exercised as the owners of the Lot, among themselves, determine, but in no event, shall more than one vote be cast with respect to any Lot.

Section 3.3 Suspension of Voting Rights. The Association shall suspend the voting rights of a Member for any period during which any assessment against the Member's Lot remains unpaid. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for an infraction of the published rules and regulations of the Association.

Section 3.4 Sole Voting Member. Ground Breaker Homes, LLC (the "Declarant") shall be the only Member of the Association entitled to vote for so long as it holds title or an interest to any Lot or until it waives, in writing, its right to be the sole voting member.

Section 3.5 Annual Meeting. The annual meeting of the Members of the Association shall be held at such place and on such date and time as established by the Board of Directors from time to time for the purpose of electing the Board of Directors of the Association and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If a quorum is not present for the election or transaction of business on the day designated herein for the annual meeting of the Members, the Members shall cause the annual meeting to be held at a special meeting of the Members as soon thereafter as it may conveniently be held. Notwithstanding the foregoing, no annual meetings of the Members shall be required for so long as the Declarant shall be the only Member of the Association entitled to vote or until it waives, in writing, its right to be the sole voting Member.

Section 3.6 Special Meetings. Special meetings of the Members may be called by or at the request of the President or a majority of the Members upon the written demand, signed, dated and delivered to the Secretary. Such written demand shall state the purpose or purposes for which such meeting is to be called. The time, date and place of any special meeting shall be determined by the Board of Directors, or, at its direction, by the President.

Section 3.7 Notice of Meetings. Written notice stating the place, date and time of each annual meeting and special meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than five (5) days and not more than fifty (50) days before the date of the meeting, delivered personally or mailed to each Member at his or her personal or business address. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

Section 3.8 Quorum. Sixty percent (60%) of the votes of the Members entitled to vote represented in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of the Members, but if less than the required quorum is present at a meeting, a majority of the Members present in person or by proxy may adjourn the meeting without further notice. If the required quorum is not present another meeting may be called subject to the same notice requirement. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If a quorum is present, the affirmative vote of a majority of the number of the Members entitled to vote shall be the act of the Members.

Section 3.9 Proxies. At all meetings of the Members, a Member may vote by proxy executed in writing by the Member or by his or her duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

Section 3.10 Informal Action by Members. Any action required to be taken at a meeting of the Members, or any other 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 all of the Members entitled to vote with respect to the subject matter thereof.

Section 3.12 Voting by Ballot. Voting on any questions or in any election may be via voice vote unless the Bylaws and/or Declaration provide otherwise; unless the presiding officer shall order or any Member shall demand that the voting be by ballot; and unless a specific percentage of votes on the questions is required, in which case the vote shall be by ballot.

Section 3.9 Presumption of Assent. A Member of the Association who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken unless the Member's dissent shall be entered in the minutes of the meeting or unless the Member has submitted 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 mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Member who voted in favor of such action.

#### **ARTICLE IV. BOARD OF DIRECTORS**

Section 4.1 General Powers. The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall manage the business and affairs of the Association in such a manner so as to comply with the meaning of the terms and limitations of the Articles of Incorporation, these Bylaws and the Declaration so that such actions will not jeopardize the federal income tax exemption of this Association pursuant to the provisions of Section 528 of the Internal Revenue Code as now in force or as may be amended.

Section 4.2 Number, Tenure and Qualifications. Subject to Section 4.3 of this Article, the Board of Directors of the Association shall consist of three (3) Directors, which number may be changed from time to time by vote of the Members of the Association. Each Director shall serve for a term of one (1) year commencing with election or until a successor shall have been elected and qualified. Directors shall be Members of the Association and shall reside within a Lot.

Section 4.3 Appointment of Board of Directors. The Declarant shall appoint the Board of Directors of the Association and determine the number of Directors of the Association for so long as it holds title to any property submitted to the Declaration or until it waives, in writing, its right to be the sole voting Member.

Section 4.4 Election. Subject to Section 4.3 of this Article, nominations for the election to the Board of Directors shall be made from the floor at the annual meeting of the Members. The election of the Board of Directors shall be by secret written ballot. Cumulative voting is not permitted.

Section 4.5 Resignation and Removal. Any Director may at any time resign by serving written notice thereof on the remaining Directors. A Director may be subject to removal, with or without cause, at a meeting of the Members called for that purpose in the manner prescribed by law, or removed upon a majority vote of the other Directors due to a Director's failure to fulfill the duties and responsibilities assigned to him or her by the Board of Directors.

Section 4.6 Vacancies. Subject to Section 4.3 of this Article, any vacancy occurring in the Board of Directors and, to the extent permitted by law, any directorship to be filled by reason of an increase in the number of Directors, may be filled by election by a majority of the then sitting Directors of the Association. A Director so elected shall serve the unexpired term of his or her predecessor in

office or the full term of such new directorship, as the case may be. A Director who is absent from three (3) consecutive regular meetings of the Board of Directors will be subject to removal upon resolution by the Board of Directors.

Section 4.7 Annual and Regular Meetings. An annual meeting of the Board of Directors shall be held without notice immediately after, and at the same place as the annual meeting of the Members for the purpose of organization, election of Officers and the transaction of other business. Regular meetings of the Board of Directors may be held at such time and place as the Board of Directors shall by resolution fix and determine from time to time without other notice than such resolution.

Section 4.8 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Iowa, as the place for holding any special meeting of the Board of Directors called by them.

Section 4.9 Notice. Notice of any special meeting shall be given not less than five (5) days and not more than fifty (50) days before the date on which the meeting is to be held, by written notice delivered personally or mailed to each Director at his/her personal or business address. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4.10 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting without further notice.

Section 4.11 Manner of Acting. At all meetings of Directors, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.12 Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless the dissent shall be entered in the minutes of the meeting or unless the Director submits 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 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 4.13 Informal Action Without Meeting. Any action required to be taken at a meeting of the Directors, or any other action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Signatures by fax, pdf or other electronic form shall be adequate to show consent.

Section 4.14 Compensation. Directors shall serve without compensation. However, a

Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties if approved by majority vote of the Directors. To the extent deemed necessary by the Association, the Board of Directors may retain the services of a Director other than in the capacity as a Director and the Director may be compensated for services so rendered as the Board of Directors may from time to time deem appropriate.

Section 4.15 Additional Powers. The Board of Directors shall, in addition to its powers under law, the Articles of Incorporation and other provisions of these Bylaws and the Declaration, have the power to:

- (a) Establish, levy, assess and collect the assessments or charges in the manner and for the purposes specified in the Declaration;
- (b) Adopt, publish and enforce rules and regulations governing the use of the Association Responsibility Elements, and the Common Area and the personal conduct of the Members and their family, guests, tenants and licensees thereon; and
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members.

Section 4.16 Additional Duties. It shall be the duty of the Board of Directors, in addition to the duties imposed upon it by law, the Articles of Incorporation, or provisions of these Bylaws and the Declaration:

- (a) To 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.
- (b) To perform annually an audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the Members at the annual meeting of the Members.
- (c) To prepare a roster of the Lots and assessments applicable thereto.
- (d) To send written notice of each assessment to every Owner subject thereto.
- (e) To supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed.
- (f) To procure directors, officers and employees liability insurance and maintain adequate liability and hazard insurance on the Common Area.
- (g) To perform all functions, duties and obligations of the Association under the Declaration.

## **ARTICLE V. OFFICERS**

Section 5.1 Designation of Officers. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. Such other Assistant Officers and Agents as may be deemed necessary may be elected or appointed by the Board of Directors. The offices of Secretary and

Treasurer or Assistant Secretary or Assistant Treasurer may be held by the same person but no person shall simultaneously hold more than one other office except as any agent appointed under these Bylaws or as a member of any Standing Committee.

Section 5.2 Appointment of Agents. The Board of Directors may designate such other Agents as it deems that the affairs of the Association require, each of whom shall serve for such period, have such authority, and perform such duties as the Directors may from time to time determine.

Section 5.3 Election and Term of Office. The Officers of the Association shall be elected annually at the annual meeting of the Board of Directors held after the annual meeting of the Members and each Officer shall hold office until his or her successor shall have been duly elected and qualified or until his or her death, resignation or removal in the manner hereinafter provided.

Section 5.4 Resignation. Any Officer or Agent may at any time resign by serving written notice thereof on the Board of Directors. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and, unless otherwise specified therein, acceptance thereof shall not be necessary to make it effective.

Section 5.5 Removal. Any Officer or Agent may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The Officer or Agent holding the position of an Officer or Agent shall automatically be removed if that individual is no longer a Member of the Association.

Section 5.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 5.7 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over all business and the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation and such other duties as may be prescribed by the Board of Directors from time to time. The President shall preside at all meetings of the Members of the Association.

Section 5.8 Vice President. In the absences of the President of in the event of his or her death, inability or refusal to act, the Vice President shall perform the duties of the President. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the President of by Board of Directors.

Section 5.9 Secretary. The Secretary shall (a) keep minutes of the proceedings of the Members and Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Articles of Incorporation, or as required by law; (c) be custodian of the records of the Association; (d) keep a current record of the names and addresses of the Owners entitled to vote; and (e) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

Section 5.10 Treasurer. The Treasurer shall (a) have charge and custody of, and be responsible

for, all funds and securities of the Association; (b) deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; (c) keep correct and complete books and records of account and records of financial transactions and condition of the Association and submit such reports as the Board of Directors may, from time to time, require; and (d) in general perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

Section 5.11 Salaries. The salaries of the Officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Association.

Section 5.12 Management Company. The Board of Directors may, in its discretion, contract with a professional management company to manage the regular business and affairs of the Association and shall have other such powers and duties as the Board of Directors shall specify at the expense of the Association.

## **ARTICLE VI. INDEMNIFICATION**

Except for any prohibition against indemnification specifically set forth in these Bylaws or in the Revised Iowa Nonprofit Corporation Act at the time indemnification is sought by any member, director, officer, employee, volunteer or agent of the Association, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that the person is or was a member, director, officer, employee, volunteer or agent of the Association, or is or was serving at the request of the Association as a member, director, officer, employee or agent of another Association, partnership, joint venture, trust or other enterprise (such serving as a member, director, officer, employee or agent of the Association or at the request of the Association referred to herein as "serving on behalf of or at the Association's request"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that person's conduct was unlawful.

## **ARTICLE VII. MISCELLANEOUS**

Section 7.1 Contracts. The Board of Directors may authorize any Officer or Agent of the Association 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 7.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. Provided that no indebtedness shall be incurred except as authorized by the Articles of Incorporation of the Association.

Section 7.3 Checks, Drafts, Etc. All checks, drafts or 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 Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.4 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, trust companies or other depositories as the Board of Directors may select.

Section 7.5 Books and Records. The Declaration, the Articles of Incorporation and these Bylaws of the Association as well as the books, records, papers and financial reports of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member.

Section 7.6 Waiver of Notice. Whenever any notice is required to be given to any Member, Director or Officer of the Association under the provisions of the Declaration, the Articles of Incorporation, these Bylaws, or the Iowa Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to giving of such notice.

Section 7.7 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December in each year.

Section 7.8 Seal. The Association shall have no corporate seal.

## **ARTICLE VIII. AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of the Directors of the Board of Directors at any regular or special meeting of the Board of Directors provided that a minimum of thirty (30) days notice in writing of the character of the proposed alteration, amendment or repeal is given to all Directors of the Board of Directors.

Dated August 24 2017.

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Steve Bruere, Director