

**BYLAWS  
OF  
CASTLES GATE HOMEOWNERS' ASSOCIATION**

**ARTICLE I. DEFINITIONS**

Section 1.1 **"Association"** shall mean Castles Gate Homeowners' Association.

Section 1.2 **"Common Areas"** shall mean Tracts A and B, Castles Gate, First Addition to the City of Sioux City, Woodbury County, Iowa. Said Common Areas shall be conveyed to the Association by the Declarant. **"Common Areas"** shall also mean any other real estate purchased by the Association. **"Common Areas"** may include the common areas designated or shown upon a plat of future subdivisions of adjacent real estate.

Section 1.3 **"Declaration"** shall mean the Castles Gate Declaration of Covenants, Conditions and Restrictions dated October 7, 2004 and recorded December 9, 2004, in Roll 667, Image 1552 of the records of the Woodbury County Recorder's Office, as amended by the First Amendment to Declaration of Covenants, Conditions and Restrictions for Castles Gate, dated May 16, 2005, and recorded May 17, 2005, in Roll 675, Image 369 of the records of the Woodbury County Recorder's Office, and as may from time to time be further amended or modified according to its terms.

Section 1.4 **"Member"** shall mean an Owner in his or her capacity as a member of the Association as provided in the Declaration.

Section 1.5 **"Owner"** shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot except that, where a Lot is being sold on a contract for deed and the contract vendee is in possession, then the vendee and not the vendor shall be deemed to be the **"Owner"**. Under no circumstances shall Owner refer to any mortgagee unless and until the mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure.

Section 1.6 **"Parcel"** or **"Lot"** shall mean any plot of land shown upon any recorded subdivision plat of the Property, with the exception of Common Areas.

Section 1.7 **"Property"** shall mean:

Lots 3, 4, 5, 6, 7, 8 and 9, Castles Gate, First Addition to the City of Sioux City, Woodbury County, Iowa.

AND

Tracts A and B, Castles Gate, First Addition to the City of Sioux City, Woodbury County, Iowa, except: All that part of Tract A, Castles Gate, First Addition to the City of Sioux City, Woodbury County, Iowa, described as follows:

Beginning at the Northeast corner of said Tract A; thence South 12°29'55" East along the East line of said Tract A, also being the West line of Lot 1, Royal Highlands First Addition for 249.41 feet to the Southeast corner of said Tract A, also being the Southwest corner of said Lot 1; thence South 87°14'34" West along the South line of said Tract A, also being the North line of Whispering Creek Drive for 101.42 feet to the West line of a 100.00 foot wide pipeline easement; thence North 12°26'32" West along said West line for 257.06 feet to the North line of said Tract A; thence South 88°31'34" East along said North line for 102.77 feet to the point of beginning.

Said described parcel contains 0.581 acres, more or less.

AND

Lots 1 to 11, inclusive and Tract A, Castles Gate, Second Addition to the City of Sioux City, Woodbury County, Iowa.

## ARTICLE II. OFFICES AND REGISTERED AGENT

Section 2.1 Principal Office. The location of the principal office of the Association in the State of Iowa will be identified in the Association's biennial report filed with the Iowa Secretary of State.

Section 2.2. Registered Office and Registered Agent. The initial registered agent and office of the Association are set forth in the Articles of Incorporation. The registered agent or registered office, or both, may be changed by resolution of the board of directors.

## ARTICLE III. MEMBERS

Section 3.1. Classes of Members. The Association shall have one class of Members. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot.

Section 3.2. Voting Rights. Members shall be entitled to one (1) vote for each Lot subject to assessment pursuant to the Declaration. When more than one (1) person holds an interest in any such Lot, all such persons shall constitute one (1) Member and one (1) vote. The vote for each such Lot shall be exercised as the persons holding an interest in that Lot among themselves determine, but in no event shall more than one (1) vote per Lot be cast.

Section 3.3. Expulsion, Suspension or Termination of Membership. The board of directors, by affirmative vote of two-thirds (2/3) of all of the members of the board, may expel, suspend or terminate a Member for cause after providing not less than fifteen (15) days notice to the Member of the proposed expulsion, suspension, or termination and reasons therefore and an opportunity for a hearing. Any such expulsion, suspension, or termination shall not relieve said Member of any assessments or other charges made pursuant to the Declaration, whether previously accrued and unpaid or accruing and due after the date of said expulsion, suspension, or termination.

Section 3.4. Resignation. Any Member may resign by filing a written resignation with the secretary, but resignation shall not relieve the Member of the obligation to pay any assessments or other charges made pursuant to the Declaration, whether previously accrued and unpaid or accruing and due after the date of said resignation.

Section 3.5. Reinstatement. Upon written request signed by a former Member and filed with the secretary, the board of directors may, by the affirmative vote of two-thirds (2/3) of the members of the board, reinstate the former Member to membership upon such terms as the board of directors may deem appropriate.

Section 3.6 Transfer of Membership. Membership in this Association is not transferable or assignable.

#### ARTICLE IV. MEETINGS OF MEMBERS

Section 4.1. Annual Meeting. The annual meeting of Members shall be held on the second Monday in the month of March each year or such other date as the board of directors shall by resolution specify. At each annual meeting the election of the directors shall take place and such other business shall be transacted as may be properly presented to such 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 the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a meeting of the Members as soon thereafter as conveniently may be.

Section 4.2. Special Meetings. Special meetings of the Members may be called by the president or the board of directors, and shall be called by the board of directors upon the written demand, signed, dated and delivered to the secretary not less than twenty-five percent (25%) of the Members having voting rights. 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 by the president. Unless otherwise provided in the Articles of Incorporation, a written demand for a special meeting may be revoked by a writing to that effect received by the Association prior to the receipt by the Association of demands sufficient in number to require the holding of a special meeting.

Section 4.3. Place of Meeting. The board of directors may designate any place, either within or outside of the state of Iowa, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association in the state of Iowa.

Section 4.4. Notice of Meetings. Written notice stating the place, day and hour of any meeting of Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting or if notice is mailed by other than first class or registered mail not less than thirty (30) days before the date of the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purposes for which the meeting is called shall be stated in the notice. Notice may be delivered personally, by mail, or other method of reliable delivery. Without limiting the foregoing, written notice by the Association to its Members, if in a comprehensible form, is effective upon deposit in the United States mail, if mail post-paid and correctly addressed to the Member's address shown in the Association's current record of Members.

Section 4.5. Waiver of Notice.

(a) Any Member may waive any notice required by law or these Bylaws if in writing and signed by any Member entitled to such notice, whether before or after the date and time stated in such notice. Such a waiver shall be equivalent to notice to such Member in due time as required by law or these Bylaws. Any such waiver shall be delivered to the Association for inclusion in the minutes or filing with the corporate records.

(b) A Member's attendance at a meeting, in person or by proxy, waives (i) objection to lack of notice or defective notice of such meeting, unless the Member at the beginning of the meeting or promptly upon the Member's arrival objects to holding the meeting or transacting business at the meeting, and (ii) objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 4.6 Record Date. The board of directors may fix, in advance, a date as the record date for any determination of Members for any purpose, such date in every case to be not more than seventy (70) days prior to the date on which the particular action or meeting requiring such determination of Members is to be taken or held. If a record date is not fixed, Members at the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of the meeting. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the board of directors selects a new record date or unless a new record date is required by law.

Section 4.7 Member's List. After fixing a record date for a meeting, the secretary shall prepare an alphabetical list of the names of all Members who are entitled to notice of a Members' meeting. The list must show the address of and number of votes be entitled to be cast at the meeting by the Member. The Members' list must be available for inspection by any Member beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Association's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A Member, or a Member's agent or attorney, is entitled on written demand to inspect and, subject to the requirements of law, to copy the list, during regular business hours and at the person's expense, during the period it is available for inspection. The Association shall make the Members' list available at the meeting, and any Member, or a Member's agent or attorney, is entitled to inspect the list at any time during the meeting or any adjournment.

Section 4.8. Quorum and Action. The Members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting without further notice. If a quorum exists, action on a matter is approved if the votes cast by the Members favoring the action exceed the votes cast opposing the action, unless a greater number is required by law.

Section 4.9. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by the Member's authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A Member or Member's agent or attorney-in-fact may appoint a proxy to vote or otherwise act for the Member.

Section 4.10 Ballot Voting. An action based on a written ballot may be taken provided the number of votes cast meets the quorum and number of approvals meets the number requirements set forth in Section 4.8.

Section 4.11 Informal Action by Members. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting out the action so taken, shall be signed by at least fifty-one (51%) of the Members entitled to vote with respect to the subject matter of the action. Written notice of Member approval must be given to all Members who have not signed the written consent. If written notice is required, Member approval shall be effective ten (10) days after such written notice is given. A written consent may be revoked by a writing to that effect received by the Association prior to the receipt by the Association of unrevoked written consents sufficient in number to take the corporate action.

#### ARTICLE V. BOARD OF DIRECTORS

Section 5.1 Management of Association. The affairs of the Association shall be managed by its board of directors. All corporate powers shall be exercised by the board of directors and the powers of the board of directors shall include, without limitation, all of those rights and powers of the board of directors described in the Declaration. Directors need not be residents of the state of Iowa or Members of the Association. Notwithstanding any provision herein to the contrary, BMT, Inc. shall retain, for itself and its successors and assigns, the sole and exclusive right, for so long as it owns one (1) or more Lots, to appoint all directors of the Association, remove any of said directors by written notice to said director, and to fill any and all vacancies on the board, regardless of the reason for said vacancy. Any director appointed by BMT, Inc. shall serve at the pleasure of BMT, Inc. for so long as BMT, Inc. desires. When BMT, Inc., its successors, or assigns ceases to own one (1) or more Lots, then the directors shall be appointed and removed and vacancies filled as otherwise provided in these Bylaws.

Section 5.2 Number, Tenure and Qualifications. The initial number of directors shall be three (3). The number of directors may be changed to a number between three (3) and five (5) by the affirmative vote of a majority of directors then in office. Except as provided above, the directors of the Association shall be elected annually by the Members at the annual meeting of the Members. Each director shall hold office until the next annual meeting of Members and until the director's successor shall have been elected and qualified. In the event of the resignation of a director or directors, the remaining members of the board of directors may, thereafter, by the affirmative vote of three-fourths of the remaining directors, elect a successor or successors to fill the unexpired term or terms.

Section 5.3 Regular Meetings. A regular annual meeting of the board of directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of Members. The board of directors may provide by resolution the time and place, either within or outside of the state of Iowa, for the holding of additional regular meetings of the board without other notice than the resolution.

Section 5.4 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two (2) directors. The persons authorized to call special meetings of the board may fix any place, either within or outside of the state of Iowa, as the place for holding any special meeting of the board called by them.

Section 5.5 Notice. Notice of any special meeting of the board of directors shall be given at least two (2) days previously by written notice delivered personally or sent by mail, or fax to each director at the director's address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. If notice is given by fax, it shall be deemed to be delivered when successfully transmitted to the recipient. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 5.6 Place of Meetings; Telephonic Meetings. The board of directors may hold its meetings at such place or places within or without the State of Iowa, as the board may from time to time determine. A director may participate in any meeting by any means of communication, including, but not limited to telephone conference call, by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 5.7. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5.8. Manner of Acting. The act of majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by these Bylaws.

Section 5.9. Resignation. Any director of the Association may resign at any time by delivering written notice to the president, the board of directors, or the Association. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.