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**EXHIBIT 1 TO BY-LAWS
RULES AND REGULATIONS
OF
HOLIDAY VILLA CORPORATION**

I. GENERAL RULES AND REGULATIONS.

A. Exterior walkways, entryways, stairs, drives and other parts of the Resort used for ingress and egress shall be kept unobstructed and shall not be used for any purpose other than for ingress to and egress from the Apartments, nor shall the same be utilized (except for furnishing and decorations provided by the Corporation) for the storage or placement of furniture, decorations, articles, pets, plants, boxes, bicycles, baby carriages, or other property.

B. No owner or occupant shall make or permit any disturbing noises to be made in the Building or on the premises by himself, his family, friends, tenants, servants or invitees; nor shall any Owner or occupant do or permit anything to be done by such persons that would interfere with the rights, comforts or convenience of other Owners or occupants.

C. The garbage disposals, water closets and other plumbing apparatus shall not be used for any purpose other than that for which they were constructed and intended, and no grease, sweepings, rubbish, rags, papers, ashes, or other substances shall be thrown therein. Any damage to the property of others resulting from misuse of such facilities, of any nature or character whatever, shall be paid for by the Owner responsible for causing or permitting the damage.

D. Any damage to the Building or common elements caused by the moving or carrying of articles therein, shall be paid by the Owner or person in charge of such articles.

E. Small pets, not exceeding two per Apartment may be kept within the Apartment(s), provided that the same shall not disturb or annoy other occupants of the Building. Any inconvenience, damage or unpleasantness caused by pets shall be the responsibility of the owner. Pets must be under voice command and attended when in the exterior common areas such as the stairwells, stairs, decks, walk-ways and landscaped areas.

F. Water shall not be left running for any unreasonable or unnecessary length of time in any of the Apartments.

G. No awnings, external window treatments, shutters, or canopies shall be used except as shall be placed or approved by the Corporation, and no signs of any kind shall be

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placed in windows or upon doors or other exterior surfaces or common elements without the prior written consent of the Corporation.

H. No antenna or aerial or similar connection shall be installed by the owners or occupants outside of their respective Apartment(s). Any antenna or aerial erected on the roof or exterior walls of the building without the consent of the Corporation may be removed without notice.

I. Owners are responsible for the maintenance and general upkeep of all patios and decks pertaining to their specific Apartment.

J. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and disposal facilities provided by the Corporation.

K. Balconies, terraces, decks and patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles. Nothing shall be swept or thrown or permitted to fall from any balcony or deck.

L. In case of emergency and for the protection of the common elements, the Board of Directors or its delegate shall retain passkeys to each Apartment. No owner shall alter any lock or install a new lock on any door leading into a Apartment without providing a passkey to the Board of Directors. Agents of the Board of Directors may enter any Apartment, if reasonably necessary, upon not less than 24 hours notification and without notification in case of emergency or in order to prevent imminent damage to the Building or any Apartments.

M. Nothing shall be done or kept in any Apartment or in any common area which will increase the rates of insurance on the Project or the contents thereof above rates applicable for residential use. All Owners shall comply with the provisions and requirements of insurance policies and all laws, ordinances, rules and regulations of governmental authorities.

N. No vehicle shall be left standing in a drive in a non-operative condition, nor shall there be any repairs to vehicles done in drive areas.

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certificate(s) shall be issued until the former certificate(s) for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new certificate may be issued therefor upon such terms and with such indemnity to the corporation as the Board of Directors may prescribe.

Section 7.03 Transfer of Shares. Upon surrender to the corporation or to a transfer agent of the corporation of a certificate representing shares of the capital stock of the corporation duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and such documentary stamps as may be required by law, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto and to cancel the old certificate. Every such transfer of stock shall be entered on the stock book of the corporation which shall be kept at its principal office, or by its registrar duly appointed. The corporation shall be entitled to treat the holder of record of any shares of stock as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as may be required by the laws of Iowa.

Section 7.04 Units of Issuance. Shares issued to accompany each proprietary lease shall be issued in the amount allocated by Exhibit "A" to these By-laws to the apartment described in such proprietary lease, or by the Board of Directors pursuant to authority granted in Sections 5.03 or 5.04. Unless and until all proprietary leases which shall have been executed by the Corporation shall have been terminated, the shares which accompany each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except to the Corporation or as an entirety to a person who has acquired such proprietary lease, or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 7.05 Fees on Transfer. The Board of Directors shall have authority to fix by resolution and to collect, before the transfer of any shares, reasonable fees to cover the Corporation's expenses and attorneys' fees in connection with the proposed transfer.

Section 7.06 Corporation Lien. The Corporation shall at all times have a lien upon the shares owned by each shareholder to secure the payment by such shareholder of all rent to become payable by such shareholder under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholders and for all other indebtedness from such shareholder to the Corporation and to secure the performance by the shareholder of all the covenants and conditions of such proprietary lease to be performed or complied with by the shareholder. The lien of the corporation may only be enforced in the event that the holder of the shares has committed an event of default under Article III of the Proprietary Lease which is not cured during any applicable grace period. Unless and until such shareholder or lessee makes default in the payment of any of such rent or other

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indebtedness or in the performance of any of such covenants or conditions, such shares shall continue to stand in the name of the shareholder upon the books of the Corporation and the shareholder shall be entitled to exercise the right to vote thereon. The Corporation shall have the right to issue to any purchaser of such shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate of the shares so purchased substantially of the tenor of the certificate issued to such defaulting shareholder, and thereupon the certificate for such shares issued to such defaulting shareholder shall become void and such defaulting shareholder shall surrender the same to the Corporation on demand, but the failure of such defaulting shareholder to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 7.07 Lost Certificates. In case of the alleged loss, destruction or mutilation of a certificate of the capital stock of the corporation, the Board of Directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as it may prescribe. The Board of Directors may in its discretion require a bond in such form and amount and with such surety as it may determine before issuing a new certificate.

Section 7.08 Stock Transfer Restrictions. The corporation shall have the right by appropriate action to impose restrictions upon the transfer of any shares of its capital stock, or any interest therein, from time to time issued, provided that such restrictions as may be from time to time so imposed or notice of the substance thereof shall be set forth upon the face or back of the certificates representing such shares of capital stock. If a shareholder shall be indebted to the corporation, the Board of Directors may refuse to consent to transfer of his shares until such indebtedness is paid, provided such limitation is stated upon the certificate representing such shares.

ARTICLE VIII

INDEMNIFICATION

Section 8.01 Right to Indemnification. The corporation shall indemnify any director, officer or employee, or any former director, officer or employee, of the corporation, or any person who may have served at its request as a director, officer or employee of another corporation in which the corporation owns shares of capital stock or of which it is a creditor or in which the corporation has an interest, against any and all expenses (including attorneys' fees), liabilities, claims, judgments, fines, costs and amounts paid in settlement, actually and reasonably incurred by or imposed upon such director, officer or employee, in connection with, arising out of or resulting from any claim, action, suit or proceeding (whether threatened, pending or completed and whether civil, criminal, administrative or investigative, including appeals), in which such person may be involved or to which such person is or may

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Section 9.02 Seal. The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation and the date of incorporation.

Section 9.03 Waiver of Notice. Whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of these by-laws, its articles of incorporation or the Iowa Business Corporation Act, a waiver of such notice in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 9.04 Parliamentary Authority. In all meetings of the corporation, whether of the Shareholders or the directors, "Robert's Rules of Order", as revised, shall be the authority on parliamentary law, except when in conflict with express provisions of these by-laws.

Section 9.05 Amendments. These Bylaws may be amended at any shareholders' meeting provided that the proposed amendment has been inserted in the notice of meeting or that all of the shareholders are present in person or by proxy. These Bylaws may also be amended at any directors meeting provided that the proposed amendment has been inserted in the notice of the meeting and provided at least two-thirds of the then authorized total number of directors shall be present at such meeting; but any Bylaw adopted by the Board of Directors may at any time be rescinded, repealed, or amended by the shareholders.

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