



RE/MAX Lakes Realty provides these covenants/bylaws/horizontal property regime declarations as a convenience, and in no way guarantees the accuracy of these documents, and in no way represents that these documents are up to date and/or legally binding. It is the responsibility of any potential buyer, seller, investor, and/or real estate agent to contact any association contact and/or the Dickinson County recorder's office in order to satisfy themselves as to the very latest available documents.

These documents are the property of Sellboji.com, BojiHomes.com and RE/MAX Lakes Realty. The downloading of these documents for use by any other Real Estate Agency is strictly prohibited.

Pelican Ridge Lot Owner's Association, Inc.

1200 Sunshine Run, Arnold's Park, IA 51331 (712) 332-7015

Rules and Regulations

Effective October 1, 2010

Compliance Agreement

1. The Buyer must comply with all terms and conditions of the written agreement and entered into with the subdivision owner(s) or manager(s). All Buyers at Pelican Ridge will be required to enter into a written agreement before they are permitted to move into Pelican Ridge.
2. Association Dues shall be paid in advance on or before the first day of each month. Association Dues shall be paid to Pelican Ridge Lot Owner's Association, Inc. at the Business Office located at the Pelican Ridge Clubhouse. Checks shall be made payable to "Pelican Ridge Lot Owner's Association, Inc.," In the event any Association Dues payment is not paid by the tenth (10th) day of the month, a late payment penalty of \$5.00 will be imposed and added to the Dues.
3. Homes to be placed at Pelican Ridge Phase 3 must be a minimum of twenty-eight (28) feet in width and forty (40) feet in length. All homes shall have shingled roofs and siding which has been preapproved by the management of Pelican Ridge Home Owners Association, Inc. All units located at Pelican Ridge must have been manufactured within two years of the date of placement at Pelican Ridge.

Home/Land Owners Use of Premises

4. The Home/Land Owner shall personally occupy the home only as a dwelling unit and may not rent the home to another person, or allow it to be occupied by another party. A home may be co-owned by more than one Home/Land Owner. All Home/Land Owners are responsible for complying with Pelican Ridge Lot Owner's Association rules and regulations.
5. No peddling, soliciting or commercial enterprise is allowed in the park without written consent of Pelican Ridge "Commercial enterprise," among other things, is defined to mean providing childcare services for individuals other than registered Pelican Ridge tenants on a regular basis.
6. If a Home/Land Owner abandons a home that is located on a Pelican Ridge lot, the Pelican Ridge Lot Owner's Association, Inc will make a reasonable effort to notify the legal owner and/or lien holder of the home in a reasonable time to

inform such person of their liability for any costs incurred for the home space, including Association Dues, and any other fees due and owing. The legal owner and lien holder are jointly and severally responsible for payment of such costs. The home may not be removed from the lot without a written consent form from Pelican Ridge Lot Owner's Association, Inc showing clearance for removal, showing all monies due and owing are paid in full, or an agreement reached between the legal owner and Pelican Ridge Lot Owner's Association, Inc.

Utility Hookups

7. Burning of trash or leaves is not permitted. The City of Arnold's Park garbage bags must be used. Garbage should not be put out until the day of pickup. An option is to secure a garbage container around the mailbox, but no permanent structures may be built.
8. Water connections must be made with a high-pressure thermal-controlled hose or its equivalent. Sewer connections must be made with rigid schedule 40 PVC plastic pipes. Home/Land Owners will protect all water and sewer lines from freezing.
9. Any maintenance or repair of water, sewer or electric lines above ground will be the responsibility of the Home/Land Owner. All connections should be inspected each calendar year and all necessary precautions taken for cold weather.
10. Any stoppage of the branch line or freezing of water pipes due to inadequate skirting around the home or inadequate insulation under the home is the responsibility of the Home/Land Owner.
11. Tampering with facilities owned by Pelican Ridge Lot Owner's Association, Inc. equipment and property is prohibited. This includes docks, hoists, wiring, storage area, mini-storage, clubhouse, pool, etc.

Improvements

12. Home/Land Owners shall not drive any posts or do any digging, other than minor personal landscaping, without prior approval from the Pelican Ridge Lot Owner's Association, Inc. Board of Directors. Once approval is given Iowa One Call (8-1-1) must be contacted and any and all utilities marked by the appropriate service providers prior to digging. Any add-ons, excluding garages, must be connected permanently to the home. All awnings, steps, porches, decks, garages or other exterior improvements must be approved by Pelican Ridge Lot Owner's Association, Inc. Board of Directors before construction is commenced. The Home/Land Owner is responsible for acquiring the necessary approval from the City of Arnold's Park before constructing any such improvements, as a building permit may be required.

13. No Carports, fences, sandboxes or swing sets may be erected at Pelican Ridge. No other obstructions may be placed in the yard by Home Owner.
14. Wheels must be removed before a home is blocked. All homes shall be equipped with adequate tie-downs.
15. All homes must be skirted within fifteen (15) days of entry using only materials approved by Pelican Ridge Lot Owner's Association, Inc. All new skirting must be approved stone skirting or cement blocks. Steps and skirting must be kept clean by Home/Land Owner.
- 16a. All lawn care, plantings and shrubs which will be more than six (6) feet in height at maturity are subject to approval by the Pelican Ridge Lot Owner's Association, Inc Board of Directors. Home/Land Owners must furnish their own garden hoses and are responsible for watering their own lawns and plants, if needed.
- 16b. No trees may be planted or replaced without the consent of the Pelican Ridge Home Owner's Association, Inc Board of Directors consent. In order to add or replace a tree on any property at Pelican Ridge, the following procedure must be followed: Present a written request to the management company representing the Association. Describe where you would like the tree planted and what type of tree it is. The management company will then present the request to the Pelican Ridge Lot Owners Association, Inc. Board. The neighbors affected by the tree will be notified. The neighbors have the opportunity to agree or disagree. The Association board will then make a decision. If a tree is planted without following the correct procedure, the Home/Land Owner will be asked to remove the tree.
- 16c. Any changes to the preserve beyond the individual's property line must have approval by the Pelican Ridge Lot Owner's Association Board of Directors. Please refer to item 16b. for procedure.
17. Snow removal for driveways and sidewalks will be provided Pelican Ridge Lot Owner's Association, Inc. However, steps and ramps and salt or ice melt chemicals are the responsibility of the Home/Land Owners. The City of Arnold's Park is responsible for snow removal from roadways.

Regulated Uses at Pelican Ridge

18. All toys and miscellaneous items must be kept out of front yards at all times, except when in actual use. All personal property items must be stored within the house or garage of Home/Land Owner. No outside storage is permitted. Any Home/Land Owner found in violation of this rule will be referred to the Pelican Ridge Lot Owner's Board of Directors.

19. No repairing or mechanical work is permitted in any of the Pelican Ridge subdivisions. Motor vehicles unable to run on their own power will not be allowed in the Pelican Ridge Subdivisions for a period of more than seven (7) days. After passage of such a time period, such cars may be towed away at the owner's expense.
20. Boats, trailers, travel trailers of all types and motor homes of all types must be stored in a garage, or parked off site. Travel trailers and motor homes may be parked in the driveway next to the home for up to (72) seventy-two hours to accommodate overnight guests or for loading and unloading purposes. Other trailers, including boat trailers may be kept on the driveway for loading and unloading purposes for up to forty eight (48) hours. Every effort should be made to avoid parking trailers of all types or motor homes on the street to avoid traffic congestion. This applies to Home/Land Owners and their guests.
21. The Pelican Ridge development sits within the city limits of the City of Arnolds Park, Iowa. All laws of the State of Iowa and ordinances of the City of Arnolds Park apply in Pelican Ridge, These laws and ordinances include but are not limited to rules that regulate unlicensed drivers, pets running at large, use and possession of illegal drugs, trespassing, breaking and entering, nuisances, junk vehicles, etc. It is the responsibility of each Land/Home Owner to know the laws and ordinances that are in force at Pelican Ridge. Any Land/Home Owner with questions about these laws and ordinances should contact the Arnolds Park City Hall. Any Land/Home Owner observing suspicious activity that may be in violation of these laws and ordinances should immediately contact the Arnolds Park Police Department by calling 911 or, for non emergency issues, 712-332-2227.
22. No permanent outdoor clothes lines are permitted.
23. Only delivery trucks are allowed in Pelican Ridge. No semi-trailers are allowed.

Home/Land Owners' Duty to Maintain

24. A Land Owner shall (a) maintain his or her home lot and the home in good condition; (b) comply with all obligations imposed upon Land Owner by applicable provisions of city, county and state codes materially affecting health and safety; (c) keep that part of Pelican Ridge Subdivision that the Land Owner occupies and uses reasonably clean and safe; (d) dispose of all rubbish, garbage and other waste from the Land Owners' home lot in a clean and safe manner; (e) not deliberately or negligently destroy, deface, damage, impair or remove any part of any Pelican Ridge Subdivision(s) or knowingly permit any person to do so; and (f) conduct himself or herself and require others in Pelican Ridge Subdivision(s) with his or her consent to conduct themselves in a manner that will not disturb the Land Owners' neighbors' peaceful enjoyment of Pelican Ridge Subdivision(s).

Common Use Areas and Facilities

25. A storm shelter is available in the lower level of the clubhouse. For your safety, please use it whenever severe weather warnings are broadcast. Animals need to be caged or on a leash at all times during the use of the storm shelter. Smoking is prohibited inside the storm shelter.
26. Children, 14 and under, are not permitted in the swimming pool or clubhouse without parents. Children should not be allowed to swim or play on the boat docks. Please supervise your children carefully -- these areas should only be used by children with adult supervision. When you are involved in or attending a private party at the clubhouse, you and your guests may not use the pool.
27. The clubhouse is available for your personal use. Please contact the management to make reservations in advance. The clubhouse can be used at no charge by the residents and families, if it is not for profit or political. The board will decide the case by case charge if the clubhouse is to be used for profit or political use.
28. No swimming or paddle boats in the fishing pond. For your safety, no swimming near the boat docks. Due to ice instability, and the danger that you may fall through the ice, no snowmobiling, walking or any other activity is allowed on the fishing pond when it is frozen.
29. The management and Pelican Ridge will not be held responsible for any accident of the Home/Land Owner's or their guests while using the recreational facilities, swimming pool, docks, hoists or property.

Miscellaneous

30. Land/Home Owner agrees not to use Pelican Ridge premises or facilities for any purpose deemed hazardous by insurance companies carrying insurance thereon..
31. Pets may be tied or staked outside the home provided they are not unattended and the leashes and/or ties are not left in the yard. Tenants must pick up messes when walking pets and in their lot. The Maintenance crew has the right to refuse to mow or tend the lot of any Land/Home Owner who does not pick up their pets messes and is not responsible for leashes or ties left in the lawn.
32. Inquiries concerning service, repairs or upkeep should be directed to the office. Do not contact maintenance employees.
33. All Home/Land Owners should notify Pelican Ridge management if they plan an extended absence from their home. If Pelican Ridge management notices any

irregularities, we will notify authorities. However, we assume no liability and make no warranties for this courtesy.

34. Pelican Ridge Lot Owners Association Board of Directors reserves the right to make any changes, additions, deletions and amendments to the Rules and Regulations governing the tenancy and occupancy. Notice will be given to all Pelican Ridge Home/Land Owners thirty (30) days before charges become effective.
35. Pelican Ridge Lot Owners Association or its management is not responsible for damage caused by fire, wind, storm or other acts of God or from any losses resulting from theft or break-in of the Tenant's property. In addition, Pelican Ridge Lot Owners, its managers, employees and contractors absolves itself from all liability or responsibility pertaining to the loss by fire, theft, accident, wind, break in, act of God, storm or any other cause whatsoever.
36. Homeowners will be responsible for weeding the rock areas around the home.
37. Pelican Ridge Lot Owners Association is not responsible for trees, shrubs and flower replacement. This is the responsibility of the homeowner after the guaranteed period of the developer. (One year after closing.) The Association will handle the common grounds.
38. Homes may not be used as rental property.

Acknowledgment

Each homeowner must sign an acknowledgement to form shown at the end of these Rules and Regulations and return to the management within 10 days.

Any Land/Home Owner who observes a violation of these rules and regulations should report the violation to the management office. Land/Home Owners found to be in violation or any rule or regulation will be sent a written warning of the violation for the first offense. Any subsequent violations will be dealt with by the Board of Directors and the resulting ruling by them will be at their discretion.

If you have any concerns or recommendations, please come to the Pelican Ridge office. Our only thought is to make and keep Pelican Ridge a wonderful place for you and your family to live.

Each Home/Land Owner must sign an acknowledgment in the form shown at the end of these Rules and Regulations or any amendments thereto, and return it to management within ten (10) days.

PELICAN RIDGE LOT OWNERS ASSOCIATION AGREEMENT REGARDING RULES AND REGULATIONS

I hereby acknowledge receipt of the Rules and Regulations effective October 1, 2010 and agree:

To the terms and conditions set forth in the Rules and Regulations, as may be amended by the Developer or Lot Owners Association from time to time: and

That any infractions on my part of these conditions, or interference with the rights or management or other residents for which I have received written reminder or violation notices from management, shall be construed as failure on my part to perform the responsibilities of my ownership. It is agreed that The Developer and Lot Owners Association will have available to them all remedies provided at law and equity.

BY _____
PELICAN RIDGE LOT OWNERS ASSOCIATION

BY _____
RESIDENT

BY _____
RESIDENT

DATE _____ LOT NUMBER _____
(If not known – leave blank)

DETACH AND RETURN TO:

Pelican Ridge LOA
Att: Jack Dittman, General Manager
1200 Sunshine Run
Arnolds Park, Iowa 51331

Pelican Ridge Lot Owners Association, Inc.

Pelican Ridge
1200 Sunshine Run
Arnolds Park, LA 51331
712-332-7015

PROTECTIVE COVENANTS PROTECT YOUR INVESTMENT

Whether you live here full-time or part-time, no doubt one of the things that attracted you to Pelican Ridge was the Protective Covenants (formerly known as the Rules and Regulations). As it says in the introduction of the document, "Pelican Ridge was designed for the gracious living of its occupants in a clean, well-kept community of friendly people". Keeping our property neat and clean not only makes our own lives more enjoyable, but enhances the value of our homes. This becomes especially important when it comes to resale.

In order to keep our community looking as nice as it does, we must all do our part to keep it up.

We have noticed some incidents of the covenants not being followed.

There have been several incidents of vehicles being parked on the grass. This is not permitted, whether you own the lot you are parking on or not. Parking on the grass will wear out the sod, cause ruts in bad weather and interfere with mowing. Regardless, it contributes to unsightliness.

Boats, trailers, travel trailers and motor homes of all types must be stored in a garage or parked off site. Travel trailers and motor homes may be parked in the driveway next to the home for up to 72 hours to accommodate overnight guests or for loading and unloading purposes. Other trailers, including boat trailers, may be kept in the driveway for loading and unloading purposes for up to 48 hours. Every effort should be made to avoid parking trailers of all types or motor homes on the street. Our streets are not wide enough to accommodate large vehicles parked overnight.

As published earlier, please do not put bagged garbage out overnight. The wild animals and birds (crows) tear open the bags, have a feast, and leave a mess to blow all over the neighborhood. If you are leaving earlier than when the garbage will be picked up please ask a neighbor to hold it for you and set it out at the proper time. If this is inconvenient, perhaps you could place it in an animal resistant container and have someone put the container away for you after the garbage has been picked up.

Make sure there is adult supervision of children in our common property. Children under 12 years of age must be supervised by parents or other adults at all times. Children 16 and under are not permitted in the swimming pool or clubhouse without parents. There have been several incidents of children being in the pool unsupervised. There are no life guards so please, for their own safety, as well as the comfort of others, supervise your children at all times. There have been other incidents where the dressing rooms in the lower level of the clubhouse have been left with excessive water and debris on the floor. Please leave the facilities as you found them after you use them. In other words, clean up your own mess.

Some home owners allow friends or family members to use their home whether or not they (the owners) are present. Our covenants specify that the owners "shall personally occupy the home only as a dwelling unit and may not rent the home to another person, or allow it to be occupied by another party, unless prior written consent is obtained from Pelican Ridge Management. Pelican Ridge reserves the right to limit the number of occupants of each home. A home may be co-owned by more than one buyer, however only one owner and their family can occupy the home at one time. All owners are responsible for complying with the Pelican Ridge rules."

When you have guests using your home, it is your responsibility to get approval from the office, to make your guests aware of and adhere to all the rules as outlined in the covenants of Pelican Ridge.

The covenants provide for enforcement. Pelican Ridge will notify lot owners in writing of any violation. If corrective action is not taken within seven (7) days, the Pelican Ridge Management reserves the right to impose a \$25 fine per incident for any violation of the covenants. We hope that does not become necessary.

AMENDMENT TO THE PLAT OF PELICAN RIDGE
AND
AMENDMENT TO THE PLAT OF PELICAN RIDGE SECOND SUBDIVISION

KNOW ALL MEN BY THESE PRESENCE:

That Pelican Ridge Mobile Home Community, Inc., an Iowa Corporation, as sole owner of the following described property: All lots in the Plat of Pelican Ridge recorded in Misc. Record 8, Page 519, and in Plat Book 9, Page 9, on September 1, 1995, and Plat of Pelican Ridge Second Subdivision recorded in Misc. Record ____, Page ____, and in Plat Book ____, Page ____, on _____, 1999, in the Office of the Dickinson County Recorder, in the City of Arnolds Park, Dickinson County, Iowa, does hereby by amend both of those plats as follows:

DEDICATION OF COMMON AREAS

Those areas shown on the Plat of Pelican Ridge in Arnolds Park, Dickinson County, Iowa, and referred to as the "pond and recreation area" as well as Outlot C, Outlot D, Outlot E, and Outlot F, are hereby dedicated to the owners of the lots in the Plat of Pelican Ridge, the Plat of Pelican Ridge Second Subdivision, and any subsequent subdivisions of the Plat of Pelican Ridge. This is a private dedication of these areas to the lot owners within the plat and not a dedication to the general public. The owner of each lot within the plat shall be deemed to own an undivided interest in the common areas.

DEVELOPER'S RETAINED RIGHTS

The Developer retains certain right as follows:

1. These amendments shall be binding on the lot owners in both of the plats and upon the lot owners of all future replats and subdivisions.
2. Until such time as all of the residential lots in the Plat of Pelican Ridge and any subsequent subdivisions of that plat shall have been sold to third parties, the Developer shall retain sole management of all property located within the plat, the right to set management fees, adopt rules, rent boat hoists, place docks, and rent residential lots. The Developer shall not be obligated to pay monthly maintenance fees to the management company or Lot Owners' Association for any lots owned by the Developer or sold or rented by the Developer to third parties until such time as a residence has been located upon the lot and has been rented or sold. On all lots in which the Developer retains ownership and rents the lot to third parties, the Developer shall be obligated to pay the same monthly maintenance fees as owners of individual lots in the plat.
3. Until such time as the Developer has sold all lots within the Plat of Pelican Ridge and subsequent subdivisions of that plat, the Developer retains the exclusive right to amend the plat without the consent or objection of any other lot owners within the plat.
4. Until such time as the Developer has sold all lots within the plat or subsequent subdivisions of the plat, the Developer has a right of first refusal to purchase any lots and homes thereon from third parties upon the same terms and conditions of any sale to a bonafide third party purchaser. Any individual lot owner offering his/her lot and home for sale shall so notify the Developer, in writing, at the time the property is placed for sale. Such

notice shall specify the sale price and terms and be addressed to the Developer at 1200 Sunshine Run, Arnolds Park IA 51331, and sent by Certified Mail. Upon acceptance of the lot owner of a bonafide third party purchase offer the lot owner shall notify the Developer in writing and include a copy of the purchase offer and acceptance. Said mailing shall be by Certified Mail deemed received when sent, granting the Developer ten (10) days to exercise its right of first refusal to purchase the property upon the same terms and conditions.

5. To sell bare lots only to those buyers who are purchasing a home from the Developer.

MANAGEMENT COMPANY

Until such time as the Developer has sold all of the individual lots within the plat and subsequent subdivisions of the plat, it shall serve as the management company for the entire development. The managerial duties may be assigned by the Developer to a third party upon the same terms and conditions as set forth herein.

During the time in which the Developer is acting as the management company, it shall annually prepare a budget for the maintenance and operation of the common areas within the plat and for the maintenance of individual lots and present such budget at an annual meeting of the lot owners. Such budget may contain a reasonable assessment for a reserve fund for future capital improvements and long term maintenance items together with a management fee to the Developer not to exceed five percent (5%) of the budget exclusive of the reserve fund. The Developer shall not assess the lot owners for its care and maintenance of undeveloped or unoccupied lots within the plat retained by the Developer for sale.

Unpaid monthly assessments shall draw interest on the unpaid balance at a rate of one and one-half percent (1½%) per month (18% per annum) and shall become a lien upon each individual lot upon filing by the Developer, as managing agent, a notice of lien in the Office of the Dickinson County Recorder.

The annual budget shall also include the cost of comprehensive general liability insurance and the cost of employment of individuals for the administration and maintenance of the property, together with attorneys, accountants, and other professional persons as necessary to assist in the management of the plat and subsequent subdivisions.

FORMATION OF LOT OWNERS' ASSOCIATION

The Developer of the area platted hereby creates and establishes an organization to be known as the Pelican Ridge Lot Owners' Association. Each owner and each contract purchaser of a lot in Pelican Ridge shall be entitled to be a member of said association. Membership shall commence upon purchase of a lot in Pelican Ridge. In the event that more than one entity or person holds title to a lot, or in the event of a contract for sale of a lot, the membership shall belong to such person or entity as they among themselves determine, but in no event shall there be more than one membership for each lot or more than one vote per lot. For each lot there shall be a membership and, accordingly, one person shall be entitled to as many memberships as he/she has in lots owned by him/her. Each membership shall entitle the holder thereof to one vote at the membership meeting. A membership shall not be transferred or assigned to any person or entity other than a record owner of a lot, a contract purchaser of a lot, or as a court of proper jurisdiction may determine.

Membership interest shall be kept and recorded by the secretary of the Lot Owners' Association. In the event a lot owner ceases to be a lot owner or contract purchaser, he/she shall advise the secretary immediately of the new owner and his/her membership shall therefor be transferred by the secretary.

The Lot Owner's Association shall annually elect a Board of Governors of the Association, which shall consist of a President, Vice President, and Secretary/Treasurer, and not more than four other

persons - all of which shall be lot owners. Until the first annual meeting of members, as herein provided, the Board of Governors shall consist of Toby Shine as President and Sylvia Shine as Secretary/Treasurer. Thereafter the Developer shall appoint four (4) lot owners to the Board, as well as the President, Vice President, and Secretary/Treasurer until all lots are sold.

The Board of Governors shall convene immediately after their election by membership and organize by choosing a President, Vice President, and Secretary/Treasurer who shall serve in those capacities until their successors are elected annually. In the event of vacancy on the Board, the remaining members thereof may fill the same. Roberts Rules of Order shall govern all proceedings of the membership meetings and those of the Board of Governors.

Annually, each year, beginning in 2001, the members shall meet on the third Saturday of June at such time and at such place as the officers shall determine. Notice shall be given to each member of record by mail at their last known address, at least seven (7) days prior to the annual meeting.

At the first annual meeting the membership shall adopt By-Laws for the Association and designation of any other duties to be exercised by the Association. Until such time as the Developer has sold all lots within the plat and subsequent subdivisions of the plat, the Owners' Association shall be advisory only.

Upon notice to the Association by the Developer that it has sold all lots within the plat and subsequent subdivisions of the plat, then within one month of said notice, a representative of the Developer shall meet with the Board of Governors of the Owners' Association to arrange for the transfer of managerial duties from the Developer to the Owners' Association, as well as the transfer of reserve accounts, records, and agreements with third parties, warranties and service agreements, and for the hire of a paid administrative director of the Association. The Owners' Association and its executive director shall be allowed to retain the office space in the community building currently occupied by the Developer at no cost to the Association.

It is specifically recognized that the Developer is retaining its rights of ownership in the maintenance building and storage units as shown on the plat and subsequent subdivision plats. At the time of the Developer's meeting with the Association, should the Developer desire to sell the maintenance building and storage units, it shall first offer those properties to the Owners' Association at a price determined by independent appraisal and shall assist the Lot Owners' Association in obtaining financing to purchase those properties. The Lot Owners' Association shall convene a meeting of its membership within two months to advise the membership of the transfer of management and to vote upon purchase of the properties. In the event that the membership elects not to purchase the properties from the Developer, the Developer may then sell those properties to independent third parties.

AMENDMENT TO RESTRICTIVE COVENANTS

The Restrictive Covenants contained in the plats are hereby amended as follows:

1. All lots and homes thereon shall be used only as single family dwellings and at all times within the zoning ordinances of the City of Arnolds Park.
2. All rules and regulations of the Developer and of the Lot Owners' Association shall be applicable to each lot and home thereon.
3. Each lot owner shall be deemed the owner of his individual lot, but the maintenance, care, and grooming of each lot shall be the responsibility of the management company and subsequently the Lot Owners' Association. This is to maintain the uniformity of design and upkeep of the platted lots. Therefore, no lot owner shall allow any easements to be conveyed upon their property without the express written consent of the Developer or Lot Owners' Association, shall do no planting or landscaping upon the lot without the express written permission, and upon receipt of the express written permission to do so shall be solely responsible for the maintenance of those plants and landscaping; and shall place no

other permanent fixtures on the property without the express written consent of the Developer and subsequently the Lot Owners' Association.

4. The restrictions shall constitute covenants running with the land and shall remain in full force and effect for a period of twenty-one (21) years. Thereafter they shall be automatically extended for successive periods of ten (10) years each unless a majority of the then owners of the lots in the plat agree to change them in whole or in part.

5. It is acknowledged that there are now existing rules and regulations of the Developer and that those rules and regulations are hereby incorporated in these Restrictive Covenants as if fully set forth. NOTICE IS GIVEN THAT EACH PURCHASER OF A LOT IN PELICAN RIDGE SHOULD BE AWARE OF THE RULES AND REGULATIONS PRIOR TO PURCHASE AND SHALL ABIDE BY THEM. THE RULES AND REGULATIONS MAY BE AMENDED ANNUALLY BY THE DEVELOPER OR THE PELICAN RIDGE LOT OWNERS' ASSOCIATION. ANY ACTION OF A LOT OWNER THAT WAS IN COMPLIANCE WITH THE RULES AND REGULATIONS THEN IN EXISTENCE SHALL BE GRANDFATHERED WITH REGARD TO ANY SUBSEQUENT REVISION OF THE RULES AND REGULATIONS.

These Amendments to the Plat of Pelican Ridge and the Plat of Pelican Ridge Second Subdivision are hereby adopted this 15th day of November, 2000.

PELICAN RIDGE MOBILE HOME
COMMUNITY, INC.

By: Sylvia Shine, Pres.
Sylvia Shine, President

2005 Annual Information Notice

AMENDMENT TO RULE # 28

- ❖ **Boats, trailers, travel trailers of all types and motor homes of all types must be stored in a garage, or parked off site. Travel trailers and motor homes may be parked in the driveway next to the home for up to (72) seventy-two hours to accommodate overnight guests or for loading and unloading purposes. Other trailers, including boat trailers may be kept on the driveway for loading and unloading purposes for up to forty eight (48) hours. Every effort should be made to avoid parking trailers of all types or motor homes on the street to avoid traffic congestion. Travel trailers and motor homes may not be parked in the street overnight (see item 32 below). This applies to owners/tenants and their guests.**
- ❖ **You will need to pick up a guest/tenant pass at the office. It is to be placed in the window of your item, or attached to it, with the dates for the start and end of the time that the item will be parked on your driveway. This new rule amendment begins**

now

- ❖ **Reminder: Please do not walk between the homes. Our members would prefer it if you would use the green space provided to get to the beach and other areas.**
- ❖ **The Clubhouse is now entirely smoke free. This includes the downstairs.**
- ❖ **If you want to be called before a regular board meeting, call the office and we will give you advance warning. The meetings are held in the evenings to accommodate more schedules.**

Tuesday, May 31, 2005

Do not park any trailers, cars or boats on the grass. The new policy for parking boats, trailers, campers, etc. is now active.

BY-LAWS OF THE PELICAN RIDGE LOT OWNERS ASSOCIATION

The provisions creating and establishing the Pelican Ridge Lot Owners Association are found within the amendment to the Plat of Pelican Ridge and amendment to the Plat of Pelican Ridge Second Subdivision dated November 15, 2000, and recorded November 15, 2000, at Miscellaneous Record 15 Page 685 in the office of the Dickinson County Recorder and provide for adoption of By-Laws for the association and designation of any other duties to be exercised by the association. These By-Laws are promulgated pursuant to those amended plattings. The following By-Laws are adopted for the administration of the Pelican Ridge Lot Owners Association:

1. Developers retained rights. It is acknowledged that the developer has certain retained rights until all of the lots in both of the existing Plats and all future Plats have been sold. Until the expiration of the developer's retained rights the Pelican Ridge Lot Owners Association shall exist in a advisory capacity only. The developer's retained rights are found in the amended plattings referenced above. It is specifically understood that any advisory opinion or vote of the members of the association need not be acted upon by the developer and may specifically be vetoed by the developer. During the period of the developer's retained rights the developers shall have the exclusive right to appoint the association President and other officers and directors as specified in the plat documents.
2. Purpose for the Pelican Ridge Lot Owner's Association. The Pelican Ridge Lot Owners Association exists for the management and administration of the common areas in the Plats of Pelican Ridge and Pelican Ridge Second Subdivision and any subsequent subdivisions and included therein is the right to set monthly assessment fees, adopt rules, rent boat hoists, place docks, and any other lawful purpose relating to the maintenance and administration of the entire area constituting Pelican Ridge in Dickinson County, Iowa.
3. General Membership. Each owner and each contract purchaser of a lot in the Plat of Pelican Ridge or the Plat of Pelican Ridge Second Subdivision (herein after referred to collectively as "Pelican Ridge") shall be entitled to and must be a member of the association. Membership commences upon purchase of a lot in Pelican Ridge. In the event that more than one entity or person holds title to a lot or in the event of a contract sale of a lot the membership shall belong to such person or entity as they amongst themselves determine, but in no event shall there be more than one membership for each lot nor more than one vote per lot. A Person or entity owning more than one lot in Pelican Ridge shall be entitled to as many votes as there are lots owned. Each membership shall entitle the holder thereof to one vote at the membership meeting. A membership shall not be transferred or assigned to any person or entity other than a record owner of a lot, a contract purchaser of a lot, or as a court of proper jurisdiction may determine. A person or entity owning a portion of the lot that has been divided and sold with an adjacent lot or multiple lots that have been restricted to a single dwelling unit shall be deemed to only have one lot and one vote.

Membership interest shall be kept and recorded by the Secretary of the Lot Owners

Association. In the event a lot owner ceases to be a lot owner or a contract purchaser then he/she shall advise the Secretary immediately of the new owner and his/her membership shall therefore be transferred by the Secretary.

4. Annual meeting and special meetings. Annually, there shall be an annual meeting of the members of the association on the third Saturday of July at such time and place as the officers shall determine, and the annual meeting may be moved to a different date at the direction of the then President, provided however that the meeting may not be held any later than September 1, of each year. Notice of the time and place of the annual meeting shall be given to each member of record by ordinary mail at their last known address at least seven days prior to the annual meeting and notice of the annual meeting shall be also posted in a public area in the clubhouse or such other public area on the premises as designated by the President. The order of business at all annual meetings or special meetings of the association may be as follows: (1) Roll call of members present and certification of proxies received at the meeting or prior to the meeting; (2) Proof that notice of the meeting has been mailed by ordinary mail and posted; (3) Reading of the minutes of the last meeting and approval; (4) Reports of officers, committees, and financial report; (5) presentation of the budget for the upcoming year and approval thereof; (6) Old business and then new business; (7) Election of officers and governors at large for the upcoming year; (8) Adjournment. In all instances the latest addition of Robert's Rules of Order shall govern meetings unless specifically provided otherwise.

Special meeting of the membership may be called by any officer or by written request of at least five percent of the total outstanding members who shall make the request upon the President for a special meeting or upon the Vice President or Secretary Treasurer if the President is not available. Notice shall be given in the same manner as for the annual meeting.

At all annual or special meetings of the membership the Secretary or other person appointed by the Secretary shall keep written minutes of the meeting which shall be retained by the association.

5. Quorum and voting percentages. At each annual meeting or special meeting of the membership each member in attendance shall in writing acknowledge their attendance. Members who are not able to be present may tender their proxy to any member who will be in attendance to be voted by the member in attendance and the proxies will be delivered to the secretary of the meeting at the beginning of the meeting. There is no requirement for a quorum of members to be present to transact business and any resolution coming before the membership may be passed by a simple majority in attendance.
6. Board of Governors. At the annual meeting of the members they shall elect a Board of Governors of the association which shall have the powers and duties described herein. The Board of Governors shall consist of a President, Vice President, Secretary/Treasurer, and not more than four other persons all of whom shall be lot owners. Nominations will be taken at the annual meeting for each of these offices and such nominations need not be

seconded. When all nominations have ceased there shall be voting on each officer and the person receiving the highest amount of votes for each office shall be duly elected for a period of one year commencing on the date of the annual meeting. The four persons receiving the highest number of votes shall be elected as members of the Board of Governors at large.

The Board of Governors shall have the following powers and duties:

- A. To make and collect assessments against members to pay the costs and expenses of the Association;
- B. To use the proceeds of assessments in the exercise of the powers and duties;
- C. To maintain, repair, furnish, replace and operate the common property of Pelican Ridge;
- D. To purchase insurance upon the property and insurance for the operation of Association and its members including but not necessarily limited to casualty and liability insurance. Casualty insurance shall be purchased at replacement cost value of the property;
- E. To construct improvements after casualty and to further improve the property;
- F. To make and amend reasonable regulations, standards and rules of conduct regarding the use and occupancy of the property and to furnish copies to the members once each year.
- G. To enforce by legal means, if necessary, the provisions of law, the Plat, the By-Laws and regulations, standards and rules of conduct properly adopted;
- H. To contract for management of the regime and to delegate to a manager such powers and duties of Association and its Board as it may deem appropriate and to terminate such management. The Board shall also have the power to employ attorneys, accountants, and such other professional persons as necessary to assist in said management; and
- I. The designation and removal of personnel necessary for the maintenance repair, replacement and operation of the common areas and facilities as well as independent service contractors.

The Officers of this Association shall have the following duties and responsibilities:

- A. The President shall be the chief executive officer of the Board and Association. He or she shall have all general duties and powers which are

usually vested in the office of the President, including, but not limited to, the power to appoint committees from among the owners from time to time, as he or she decided is appropriate to assist in the conduct of the affairs of Association or Board;

- B. The Vice President shall, in the absence of the President, perform the President's duties. The Vice President shall also perform such other duties and provide assistance to the President as requested or ordered by Association, Board or the President;
- C. Secretary-Treasurer. The Secretary-Treasurer shall have the minute book wherein resolutions and other business of Association shall be recorded; Shall have charge of such books and papers as Association or Board may direct, shall give all notices to members and directors or other notices required by law, and these By-Laws and shall in general perform all duties incident to the office of the Secretary;

He or she shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of Association and of the Board in books belonging to Association or to the Board. All expenditures above \$5,000.00 shall not be made without approval of the Board unless this provision is amended by resolution of the Board. In general, the Treasurer shall keep the books in accordance with good accounting practices and perform all other duties incident to the office of the Treasurer;

- D. All officers shall serve without compensation but may be reimbursed for out of pocket expenses.
- E. Meetings of the Executive Board shall be held at the Club House or such other suitable place convenient to the directors as may be designated by the President.
- F. The annual meeting of the Executive Board shall be held in each year immediately following the adjournment of the annual meeting of Association. At such meeting, the Board shall determine what time, if any, shall be established for periodic board meetings.
- G. Special meetings of the Board may called by the President or by the developers and shall be called by the President if requested by two (2) other board members. Notice of special meetings of the board shall state the time and place of any such meeting and the purpose thereof and shall be mailed by ordinary mail to each board member at three (3) days but not more than (15) days prior to such meeting. Such special meeting shall not consider business other than that set out in the notice unless all board members are in attendance.

- H. Board members may waive notice of the meeting in writing and their attendance at a meeting shall constitute a waiver of said notice.
 - I. A quorum of the board shall be three (3). There shall be no proxies for Board meetings. A majority of those present shall be necessary for Board action.
 - J. Ordinary business and decisions and resolutions of the Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item are reduced to writing and signed by all Board members and filed with the Secretary who shall keep said written document with the minutes of the meeting of the Board.
 - K. If desired by Association or by the Board a Blanket Fidelity Bond may be secured to cover anyone who may handle Association funds. The premium on such bonds shall be paid from Association funds.
 - L. Upon an affirmative vote of the majority of the owners any Board member may be removed either with or without cause and a successor elected at a special meeting of Association except for the developers or those persons appointed by them who may be removed only with the written consent of the developers. Assistant officers may be removed upon an affirmative vote of the majority of the members of the Board present at a meeting either with or without cause and successors may be elected at any meeting, regular or special.
 - M. The joinder of any director in the action of a meeting of the Board by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.
 - N. In the event of a vacancy on the Executive Board, the remaining Board members shall elect an interim Board member to serve until the next annual election.
 - O. The fiscal management of this Association shall be subject to the following:
7. Budget. At least one month prior to the annual meeting the Board of Governor shall[®] adopt a proposed budget for the association for the forthcoming year and shall cause a copy of the proposed budget to be sent to each member along with the notice of the meeting. The budget shall then be discussed and voted upon at the annual meeting and may be ratified by a simple majority of the members in attendance. In the event that during the year it is necessary to amend the budget it may be so amended at any special meeting of the membership called for the purpose thereof. Said budget may contain a reasonable assessment for a reserve fund or for future capital improvements and long term maintenance items as the Board of Governors deems reasonable. The budget may also provide for the salary of a paid Executive Director or manager of the association if that position is elected by the members of the association. The annual budget must also

include the cost of comprehensive general liability insurance, the cost of employment of individuals for the administration and maintenance of the property, and for such professional such as attorneys, accountants, or other professional persons as are necessary to assist in the management of the property.

8. Assessments. The Board of Governors shall have the power and responsibility of setting monthly assessments to be paid by each of the lot owners to fund the budget of the association. Said assessment shall be in the form of the amount of the annual budget divided by the amount of lots in Pelican Ridge to determine an annual assessment and then the annual assessment shall be divided into twelve monthly installments which shall be payable on the first day of each month in a place directed by the Board of Governors. The Board of Governors shall have the authority to place liens upon the property of members for delinquent assessments and to take any and all actions necessary to foreclose those liens or otherwise collect past due assessments.
9. Accounting. The books and records of the association shall be kept in a manner with a generally accepted accounting principles and shall consist of at least an income and expense statement as well as a balance sheet for the association which shall be kept on a 12 month cycle commencing on January 1 of each year and ending on December 31st of the next year. An accounting shall be made of all association accounts at least annually by providing copies of the accounting to each member at the annual meeting. During the time that the developer has retained rights a majority of the members present at the annual meeting may require an audit by an independent party. Provided however that the audit shall be paid for in advance by the association membership by adding an assessment to each members monthly dues for the next month after the audit request. At such time as the developers retained rights have expired a majority of the members present at the annual meeting or of the Board of Governors may require an audit by an independent party. This audit shall be paid by the association and will be included in the annual budget. In the event that any individual member or members request an audit of the associations books and records they shall do so solely at their own expense and hold the association harmless.
10. Amendment to By-Laws. No modification or amendment to these By-Laws shall be valid unless set forth in writing and duly contained within the books and records of the association. These By-Laws may be amended by the association at the annual meeting or at a meeting duly called for such purpose. No amendment shall take effect unless approved by at least 60% of the members in attendance at such meeting.

In witness whereof the undersigned certify that these By-Laws were adopted by the members of the Pelican Ridge Lot Owners Association on the _____ day of _____, 2002, at Arnolds Park, Dickinson County, Iowa.

Toby Shine, President

Sylvia Shine, Secretary/Treasurer

Pelican Ridge Lot Owners Association, Inc.

*Pelican Ridge
1200 Sunshine Run
Arnolds Park, IA 51331
712-332-7015*

August 20, 2005

Amendment of the Pelican Ridge Lot Owners Association, Inc. By-Laws

Shall be amended to read in its entirety as follows:

ITEM #4

Annual meeting and special meetings. Annually, there shall be an annual meeting of the members of the association between August 1st and September 30th of each year, at such time and place as the officers shall determine. Notice of the time and place of the annual meeting shall be given to each member of record by ordinary mail at their last known address at least seven days prior to the annual meeting and notice of the annual meeting shall be also posted in a public area in the clubhouse or such other public area on the premises as designated by the President. The order of business at all annual meetings or special meetings of the association may be as follows: (1) Roll call of members present and certification of proxies received at the meeting or prior to the meeting; (2) Proof that notice of the meeting has been mailed by ordinary mail and posted; (3) Reading of the minutes of the last meeting and approval; (4) Reports of officers, committees, and financial report; (5) Presentation of the budget for the upcoming year and approval thereof; (6) Old business and then new business; (7) Election of governors at large for the upcoming year; (8) Adjournment. In all instances the latest addition of Robert's Rules of Order shall govern meetings unless specifically provided otherwise.

Special meetings of the membership may be called by an officer or by written request of at least five percent of the total outstanding members who shall make the request upon the President for a special meeting or upon the Vice President or Secretary Treasurer if the President is not available. Notice shall be given in the same manner as for the annual meeting.

At all annual or special meetings of the membership the Secretary or other person appointed by the Secretary shall keep written minutes of the meeting that shall be retained by the association.

ITEM #6

Board of Governors. At the annual meeting of the members they shall elect a Board of Governors of the association that shall have the powers and duties described herein. The Board of Governors shall consist of not more than seven directors all of whom shall be lot owners. They shall serve a two-year term.

commencing on the date of the annual meeting. Nominations will be taken at the annual meeting for three directors on odd numbered years and four directors on even numbered years. When all nominations have ceased the eligible lot owners shall vote with four persons receiving the highest number of votes elected as members of the Board of Governors at large. Members elected to the Board of Governors are eligible to serve two terms consecutively. Members may run again after serving two consecutive terms, after a one year hiatus off of the board. As soon as it is practical after the election, the directors would meet to elect their officers, a President, Vice President, and Secretary Treasurer that would serve in that capacity for one year.

There are no other changes to item #6.

ITEM # 7:

Budget. Item # 7 shall be amended to read, the budget preparation shall be completed two weeks prior to the annual meeting,



Pelican Ridge Lot Owners Association, Inc.

Pelican Ridge
1200 Sunshine Run
Arnolds Park, IA 51331
712-332-7015

August 20, 2005

Amendment of the Pelican Ridge Lot Owners Association, Inc. By-Laws Shall be amended to read in its entirety as follows:

ITEM #4

Annual meeting and special meetings. Annually, there shall be an annual meeting of the members of the association between August 1st and September 30th of each year, at such time and place as the officers shall determine. Notice of the time and place of the annual meeting shall be given to each member of record by ordinary mail at their last known address at least seven days prior to the annual meeting and notice of the annual meeting shall be also posted in a public area in the clubhouse or such other public area on the premises as designated by the President. The order of business at all annual meetings or special meetings of the association may be as follows: (1) Roll call of members present and certification of proxies received at the meeting or prior to the meeting; (2) Proof that notice of the meeting has been mailed by ordinary mail and posted; (3) Reading of the minutes of the last meeting and approval; (4) Reports of officers, committees, and financial report; (5) Presentation of the budget for the upcoming year and approval thereof; (6) Old business and then new business; (7) Election of governors at large for the upcoming year; (8) Adjournment. In all instances the latest addition of Robert's Rules of Order shall govern meetings unless specifically provided otherwise.

Special meetings of the membership may be called by an officer or by written request of at least five percent of the total outstanding members who shall make the request upon the President for a special meeting or upon the Vice President or Secretary Treasurer if the President is not available. Notice shall be given in the same manner as for the annual meeting.

At all annual or special meetings of the membership the Secretary or other person appointed by the Secretary shall keep written minutes of the meeting that shall be retained by the association.

ITEM #6

Board of Governors. At the annual meeting of the members they shall elect a Board of Governors of the association that shall have the powers and duties described herein. The Board of Governors shall consist of not more than seven directors all of whom shall be lot owners. They shall serve a two-year term,

BY-LAWS OF THE PELICAN RIDGE LOT OWNERS ASSOCIATION

The provisions creating and establishing the Pelican Ridge Lot Owners Association are found within the amendment to the Plat of Pelican Ridge and amendment to the Plat of Pelican Ridge Second Subdivision dated November 15, 2000, and recorded November 15, 2000, at Miscellaneous Record 15 Page 685 in the office of the Dickinson County Recorder and provide for adoption of By-Laws for the association and designation of any other duties to be exercised by the association. These By-Laws are promulgated pursuant to those amended plattings. The following By-Laws are adopted for the administration of the Pelican Ridge Lot Owners Association:

1. Developers retained rights. It is acknowledged that the developer has certain retained rights until all of the lots in both of the existing Plats and all future Plats have been sold. Until the expiration of the developer's retained rights the Pelican Ridge Lot Owners Association shall exist in a advisory capacity only. The developer's retained rights are found in the amended plattings referenced above. It is specifically understood that any advisory opinion or vote of the members of the association need not be acted upon by the developer and may specifically be vetoed by the developer. During the period of the developer's retained rights the developers shall have the exclusive right to appoint the association President and other officers and directors as specified in the plat documents.
2. Purpose for the Pelican Ridge Lot Owner's Association. The Pelican Ridge Lot Owners Association exists for the management and administration of the common areas in the Plats of Pelican Ridge and Pelican Ridge Second Subdivision and any subsequent subdivisions and included therein is the right to set monthly assessment fees, adopt rules, rent boat hoists, place docks, and any other lawful purpose relating to the maintenance and administration of the entire area constituting Pelican Ridge in Dickinson County, Iowa.
3. General Membership. Each owner and each contract purchaser of a lot in the Plat of Pelican Ridge or the Plat of Pelican Ridge Second Subdivision (herein after referred to collectively as "Pelican Ridge") shall be entitled to and must be a member of the association. Membership commences upon purchase of a lot in Pelican Ridge. In the event that more than one entity or person holds title to a lot or in the event of a contract sale of a lot the membership shall belong to such person or entity as they amongst themselves determine, but in no event shall there be more than one membership for each lot nor more than one vote per lot. A Person or entity owning more than one lot in Pelican Ridge shall be entitled to as many votes as there are lots owned. Each membership shall entitle the holder thereof to one vote at the membership meeting. A membership shall not be transferred or assigned to any person or entity other than a record owner of a lot, a contract purchaser of a lot, or as a court of proper jurisdiction may determine. A person or entity owning a portion of the lot that has been divided and sold with an adjacent lot or multiple lots that have been restricted to a single dwelling unit shall be deemed to only have one lot and one vote.

Membership interest shall be kept and recorded by the Secretary of the Lot Owners

seconded. When all nominations have ceased there shall be voting on each officer and the person receiving the highest amount of votes for each office shall be duly elected for a period of one year commencing on the date of the annual meeting. The four persons receiving the highest number of votes shall be elected as members of the Board of Governors at large.

The Board of Governors shall have the following powers and duties:

- A. To make and collect assessments against members to pay the costs and expenses of the Association;
- B. To use the proceeds of assessments in the exercise of the powers and duties;
- C. To maintain, repair, furnish, replace and operate the common property of Pelican Ridge;
- D. To purchase insurance upon the property and insurance for the operation of Association and its members including but not necessarily limited to casualty and liability insurance. Casualty insurance shall be purchased at replacement cost value of the property;
- E. To construct improvements after casualty and to further improve the property;
- F. To make and amend reasonable regulations, standards and rules of conduct regarding the use and occupancy of the property and to furnish copies to the members once each year.
- G. To enforce by legal means, if necessary, the provisions of law, the Plat, the By-Laws and regulations, standards and rules of conduct properly adopted;
- H. To contract for management of the regime and to delegate to a manager such powers and duties of Association and its Board as it may deem appropriate and to terminate such management. The Board shall also have the power to employ attorneys, accountants, and such other professional persons as necessary to assist in said management; and
- I. The designation and removal of personnel necessary for the maintenance repair, replacement and operation of the common areas and facilities as well as independent service contractors.

The Officers of this Association shall have the following duties and responsibilities:

- A. The President shall be the chief executive officer of the Board and Association. He or she shall have all general duties and powers which are

- H. Board members may waive notice of the meeting in writing and their attendance at a meeting shall constitute a waiver of said notice.
 - I. A quorum of the board shall be three (3). There shall be no proxies for Board meetings. A majority of those present shall be necessary for Board action.
 - J. Ordinary business and decisions and resolutions of the Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item are reduced to writing and signed by all Board members and filed with the Secretary who shall keep said written document with the minutes of the meeting of the Board.
 - K. If desired by Association or by the Board a Blanket Fidelity Bond may be secured to cover anyone who may handle Association funds. The premium on such bonds shall be paid from Association funds.
 - L. Upon an affirmative vote of the majority of the owners any Board member may be removed either with or without cause and a successor elected at a special meeting of Association except for the developers or those persons appointed by them who may be removed only with the written consent of the developers. Assistant officers may be removed upon an affirmative vote of the majority of the members of the Board present at a meeting either with or without cause and successors may be elected at any meeting, regular or special.
 - M. The joinder of any director in the action of a meeting of the Board by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.
 - N. In the event of a vacancy on the Executive Board, The remaining Board members shall elect an interim Board member to serve until the next annual election.
 - O. The fiscal management of this Association shall be subject to the following:
7. Budget. At least one month prior to the annual meeting the Board of Governor shall adopt a proposed budget for the association for the forthcoming year and shall cause a copy of the proposed budget to be sent to each member along with the notice of the meeting. The budget shall then be discussed and voted upon at the annual meeting and may be ratified by a simple majority of the members in attendance. In the event that during the year it is necessary to amend the budget it may be so amended at any special meeting of the membership called for the purpose thereof. Said budget may contain a reasonable assessment for a reserve fund or for future capital improvements and long term maintenance items as the Board of Governors deems reasonable. The budget may also provide for the salary of a paid Executive Director or manager of the association if that position is elected by the members of the association. The annual budget must also

GENERAL INFORMATION TO POTENTIAL BUYERS OF LOTS AT PELICAN RIDGE

The following general information is provided to you to help you decide whether to purchase the lot you are currently renting at Pelican Ridge. Individual questions will be answered as well.

1. **Proposal.** The Developer of Pelican Ridge is presently leasing lots to homeowners and is proposing to sell those lots to the homeowners, as well as selling instead of renting future lots for homes.
2. **Why?** There are a number of reasons for the Developer converting from rentals to ownership. The Developer has determined that many people want to be homeowners and not "renters", and that many more people would buy in the Pelican Ridge development if they could own the land under their home. Many current owners have inquired as to whether they can purchase their individual lots. The Developer has also determined that in a majority of cases owners would be able to finance the purchase of their homes at much more attractive interest rates if they owned the underlying land, and that the value of their investment would appreciate much more quickly through ownership instead of rental. The Developer also recognizes that at some point in time it may wish to sell its interest in the project and want to make certain that the high standards of maintenance and quality it has set will be maintained. It feels these can better be maintained through a lot owner's association managed by individual lot owners.
3. **How?** Your individual lots will be offered to you to purchase and this purchase would be the same as if you were purchasing land in any other area. You will be given an abstract to your property, as well as a Warranty Deed and membership in the Lot Owners' Association.
4. **When?** Lots are now available for sale. It is the intention of the Developer to also sell currently developed lots only to those building a home upon them and not for speculative purposes. It is also the intention of the Developer to eventually develop the remaining lots and sell them on the same basis.
5. **Common Areas.** The Developer will be giving to the lot owners an undivided interest in the common areas of Pelican Ridge, including the club house, pool, tennis courts, recreation areas, and lakeshore. You are not only purchasing your lot, but you are also purchasing your interest in these very valuable amenities. One appraiser has valued these amenities at \$10,000.00 per lot.
6. **Financing.** You are certainly free to work with any bank or lending institution that you wish in financing the purchase of your lot, or in refinancing your home with the purchase of your lot. Four local lenders have been selected by the Developer to work with you should you so desire. They will be entirely familiar with the project. Those lenders are Liberty Bank of Arnolds Park represented by Shane Roskens and Jantina Solsma; Security State Bank of Spirit Lake represented by Jeff Richter; and Northwest Federal Savings Bank

of Spirit Lake and Milford represented by Jed Jensen and Tony Peschong; and Farmers Trust and Savings Bank of Spencer represented Bill Kramer.

7. **Management and Maintenance.** Management of the entire project will remain with the Developer until all lots have been sold. The Developer will be responsible for all of the maintenance functions and instead of paying rent you will pay a maintenance fee, which is estimated at \$111.00 per month per lot for the current year. The Developer will be responsible for paying the same maintenance fee on all lots that it has under rental. As the Developer sells lots and homes are built, those lot owners will be responsible for maintenance as well. You will not be charged for the Developer's maintenance of its own lots under development. A Lot Owners' Association will be formed, which will be advisory until the Developer has sold all lots. Once all lots are sold, management and maintenance will be turned over to the Lot Owners' Association, which will elect its own officers and directors, and hire a professional manager.
8. **No Obligation to Buy.** You are not being forced to buy your lot. While the Developer believes that it is in your best interest to purchase your lot, rentals will still be available on a year to year basis. Rents on those lots will increase each year by the consumer price index and increased cost of maintenance. However, when you desire to sell your home, the new buyer must purchase not only your home, but the underlying lot, and no further rental agreement will be available to the new buyer.
9. **Guarantied Sale Price.** As existing renters at Pelican Ridge, the sale price quoted to you for your lot is guarantied to March 1, 2001. Outsiders looking at buying lots may be quoted higher prices. After March 1, 2001, the Developer may increase the price of your lot. You may enter into a purchase agreement now for your lot. Closing will occur in January of 2001.
10. **Sales and Resales.** Sales of your lots will be through the Developer with no realtor involved. The Developer will also have a resales department managed by a licensed real estate broker. You are encouraged to list your property for resale through that broker. The Developer will have a right of first refusal to purchase the property until all lots are sold.
11. **Example.** Attached hereto is an example of the benefits of buying your property as opposed to continuing to rent. This is an example only and none of the estimates of interest expense, appreciation, or rental increase are guarantied. They are for example purposes only. You should also consider that there may be tax advantages to you in owning your property instead of renting, and that there will be property taxes on the land you purchase. By purchasing your lot your payment will remain the same while rents will go up each year. You will also enjoy any appreciation in the value of your lot. You would not enjoy that appreciation by renting the lot.

12. **Rules and Regulations.** The current rules and regulations applying to renters at Pelican Ridge will also apply to owners. Those rules and regulations may be amended at any time and will eventually be under the control of the Lot Owners' Association. The Plat of Pelican Ridge has also been amended and those plat amendments will apply to your purchase of the lot and will be part of your abstract. Copies of those plat amendments are attached.



**EXAMPLE
RENT vs. BUY**

If you rent a lot that will sell for \$22,500.00 and have a \$50,000.00 home that you have financed at 13% interest for 30 years you pay:

House payment:	\$553.00
Lot rent:	<u>163.00</u>
TOTAL:	\$716.00 per month

If you purchase @ \$72,500.00 with a loan at 9% interest for 30 years you pay:

House payment:	\$583.00
Maintenance:	<u>111.00</u>
TOTAL:	\$694.00 per month

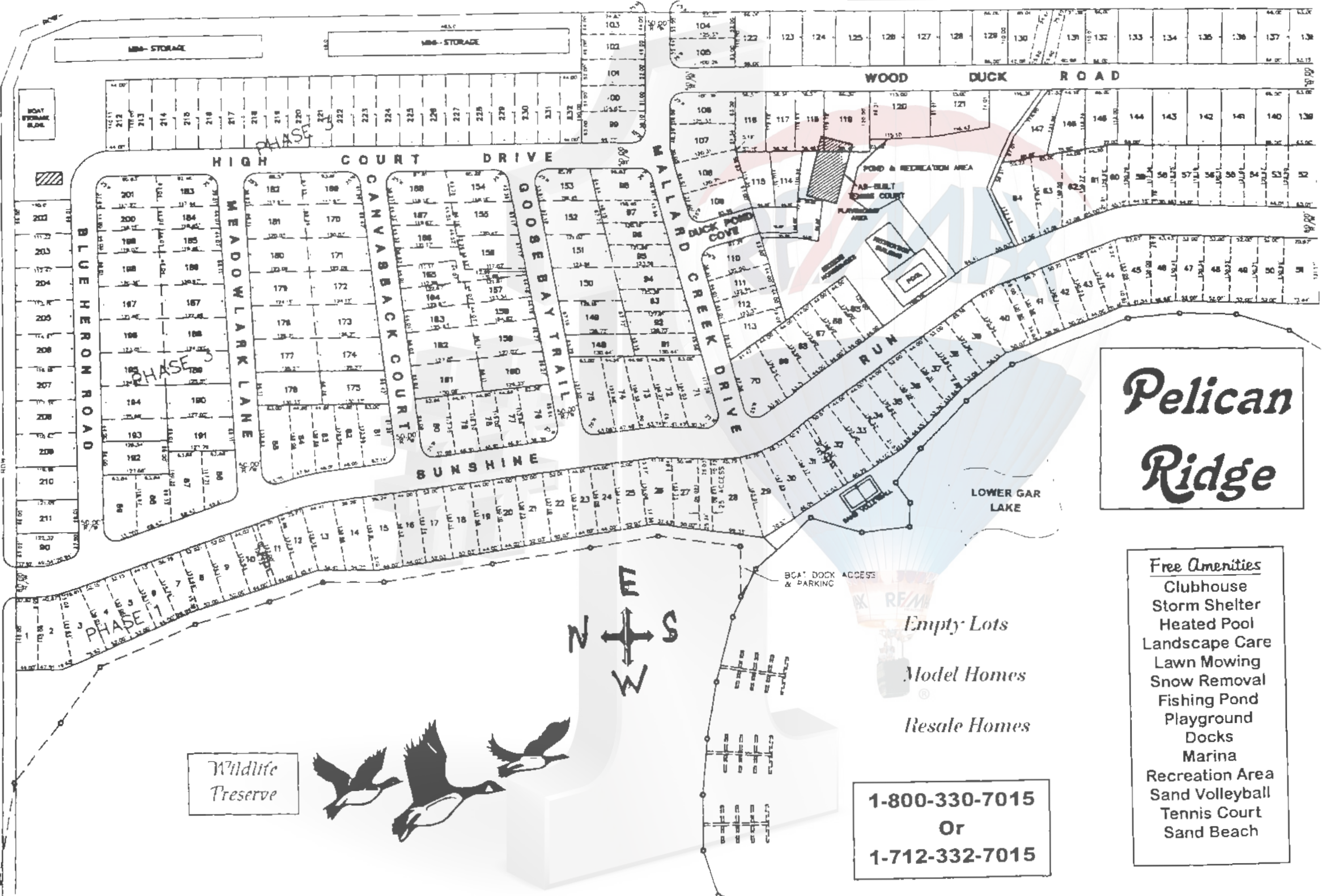
Lot rent is projected to increase 3%-5% per year. A buyer of your home must buy the lot even if it is rented now.

If values increase at 6% per year, your investment in 12 years would have a value of \$145,000.00 if you can buy your lot.

If you do not buy your lot, your house investment would only be worth \$100,000.00.

If lot rent increases at 5% per year, after 12 years your rent would be \$292.00.

196th STREET (ROHR STREET)



Pelican Ridge

- Free Amenities
- Clubhouse
 - Storm Shelter
 - Heated Pool
 - Landscape Care
 - Lawn Mowing
 - Snow Removal
 - Fishing Pond
 - Playground
 - Docks
 - Marina
 - Recreation Area
 - Sand Volleyball
 - Tennis Court
 - Sand Beach

Empty Lots
 Model Homes
 Resale Homes

1-800-330-7015
 Or
1-712-332-7015

Wildlife Preserve

