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**DECLARATION OF SUBMISSION TO HORIZONTAL PROPERTY
REGIME ESTABLISHING A PLAN FOR CONDOMINIUM
OWNERSHIP OF PREMISES
FOR
RACHEL FAYE CONDOMINIUMS**

This Declaration of Submission of Property to the Horizontal Property Regime established by Chapter 499B, Code of Iowa, is made and executed this 18th day of January, 2008, by Rachel Faye Family, L.L.P., hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Dickinson County, Iowa, legally described as follows:

Lot One (1), in the Plat of Faye Meadows Subdivision, Dickinson County, Iowa,

and;

WHEREAS, Declarant is the owner of Rachel Faye Condominiums and other improvements built, or to be built, upon the real property described above, and it is the desire and the intention of the Declarant to divide the project into condominiums and to sell and convey the condominium units to various purchasers pursuant to the provisions of the Horizontal Property Act, and to impose upon said property mutually beneficial restrictions, covenants, and conditions;

and

WHEREAS, Declarant desires and intends to submit all of the above described property and buildings and improvements constructed thereon, together with all appurtenances, to the provisions of the Horizontal Property Act as a condominium project.

NOW, THEREFORE, Declarant hereby publishes and declares that all property described above is held and shall be held and conveyed subject to the following covenants, conditions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said real property and the division thereof into condominiums and shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, its grantees, successors, heirs, executors, administrators, devisees and assigns

ARTICLE I DEFINITIONS

1. **Declarant.** The term "Declarant" shall mean Rachel Faye Family L.L.P., the maker of this Declaration.
2. **Declaration.** The term "Declaration" shall refer to Rachel Faye Condominiums as established and provided under the Horizontal Property Act.
3. **Project.** The term "project" shall include the entire parcel of real property referred to in this Declaration to be divided into condominiums, including all structures thereon.
4. **Unit.** The term "unit" shall mean one or more rooms occupying all or part of a floor or floors intended for commercial uses and not owned in common with other owners in the regime. Each unit as currently constructed or to be constructed shall be bounded by the boundary lines of the unit.
5. **General Common Elements.** The term "general common elements" shall have the meaning as defined in Article IV of this Declaration.
6. **Limited Common Elements.** The term "limited common elements" shall have the meaning as defined in Article V of this Declaration.
7. **Condominium.** The term "condominium" means the entire estate in the real property owned by an Owner, consisting of an undivided interest in the common elements and ownership of a separate interest in a unit
8. **Owner.** The term "owner" means any person with an ownership interest in a unit in the project. An "owner" shall include a contract purchaser in possession. In the event of multiple, corporate or fiduciary ownership, the owner or owners shall designate a person in writing

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filed with the Secretary of the Association, said person to act as owner in connection with the administration referred to in this Declaration, the Articles of Incorporation, and the Bylaws. Notices to be given by the Association are properly given to the owner or owners of the respective unit if given to the designated person.

9. **Council Of Co-owners.** The term "Council of Co-owners" means all the co-owners and is otherwise known and synonymous with the term "Association" and/or "Homeowners Association."

10. **Association.** The term "Association" means the same as the "Council of Co-owners" as defined in Paragraph 11 hereof and refers to Rachel Faye Condominiums Owners Association and its successors.

11. **Plat.** The term "plat" shall refer to the Plat of Faye Meadows Subdivision; the term "lot" shall refer to Lot One (1) as set out in the plat; and the term "pond" shall refer to the pond(s) as set out in the plat.

12. **Severability.** The invalidity of any covenant, restriction, agreement, undertaking, or other provisions of any condominium document shall not affect the validity of the remaining portions thereof.

13. **Incorporation.** Exhibits attached hereto and referred to herein are hereby made a part hereof with the same force and effect as other provisions of this document.

14. **Code Of Iowa.** The term "Code of Iowa" and references to Chapters or Sections thereof shall be the statutes in effect at the time of execution of this Declaration, as from time to time amended or renumbered.

15. **Plural And Gender.** Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine, or neuter, according to the context

ARTICLE II DESCRIPTION OF LAND AND UNITS

1. **Description Of Land.** The exact legal description is as follows.

Lot One (1), in the Plat of Faye Meadows Subdivision, Dickinson County, Iowa.

2. **Description Of Units.** Units 1, 3, 4, 5, 6, 7, and 11 are not and will not be located within one common building; rather, each of these units is or will be free-standing with its own roof, land, and foundation. Unit 2 consists of five (5) sub-units, identified respectively as Unit 2-A, 2-B, 2-C, 2-D, and 2-E. Each of these units is located within one (1) building but is considered to have its own roof, land, foundation, and exterior surface. Units 8, 9, 10, and 12 are unimproved.

- A. Exhibit "A" lists all units, setting forth each unit designation and percentage interest in the common elements.
 - B. Exhibit "B" is a site plan showing the location of each unit; the location of the yard adjacent to each unit; and the boundary lines to the front, back, and side of each unit.
 - C. Exhibit "C" sets out the building plans for each unit showing its approximate area, number of rooms, and the principal materials of which each unit is or is to be constructed.
3. **Binding Nature.** The Declaration shall apply to and be binding upon all units.

ARTICLE III OWNERSHIP INTERESTS

1. **Exclusive Ownership And Possession By Owner.** Each owner shall be entitled to exclusive ownership and possession of the unit. Each owner of Units 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 shall be entitled to an undivided 1/12 interest in the common elements. Each owner of Units 2-A, 2-B, 2-C, 2-D, and 2-E shall be entitled to an undivided 1/60 interest in the common elements.

The fractional interest of each owner in the common elements shall have a permanent character and shall not be altered. The fractional interest in the common elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each owner may use the common elements in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other owners.

An owner shall be deemed to own the exterior surface and roof of his unit and shall have the right to stain, paint, or otherwise finish the exterior of each unit, subject to the provisions set forth in this Declaration and other condominium documents. An owner shall have the exclusive right to paint, stain, tile, paper or otherwise finish and re-finish and decorate the interior surfaces of the walls, floors, ceilings, windows and doors bounding his unit.

2. **Appurtenances.** There shall pass with the ownership of each unit as a part thereof, whether or not separately described, all appurtenances to such unit and no part of the appurtenant interest of any unit may be sold, transferred or otherwise disposed of except in connection with the sale, transfer or other disposition of such unit itself or of all units in the regime.

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3. **Association Membership.** Each owner of a unit shall be a member of the Association. Membership shall be appurtenant to, and may not be separate from, the ownership of any unit. No owner shall have more than one (1) membership. Ownership of the unit shall be the sole qualification for membership. The exercise of voting and membership rights shall be subject to the applicable provisions of the condominium documents.

4. **Voting Rights.** The Association shall have two (2) classes of voting membership:

- A. Class A members shall be the owners of the units, with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each unit in which they hold the interest required for membership. When more than one person holds such interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit.
- B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each unit, in which it holds the interest, provided that the Class B membership shall cease and be converted to Class A membership at such time that more than two-thirds (2/3) of the units have been sold by the Declarant to third-party purchasers.
- C. The Board may suspend the voting rights and right to use of the common elements and facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations. Such suspension shall not prohibit the ingress and egress of a member to his unit.

ARTICLE IV
GENERAL COMMON ELEMENTS

1. **Definition.** General common elements shall include all portions of the project not included within any unit. The general common elements shall include the following:

- A. All improvements and land (other than the units and limited common elements), which generally consist of the street(s), open space areas, and pond(s) depicted on Exhibit "B".

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- B. The following are not general common elements. Rather, as a matter of clarification, the owner of a unit shall be deemed to own the exterior walls, roof, and inner decorated and/or finished surfaces of the perimeter walls, floor and ceiling including paint, wallpaper, linoleum, carpeting, and similar floor coverings, the cupboards, counters, plumbing fixtures, and all similar items of equipment connected with each unit for the owner's exclusive use.

ARTICLE V
LIMITED COMMON ELEMENTS

1. **Definition.** Limited common elements are those common elements reserved for the use of a specific unit to the exclusion of other units. Each limited common element will be for the exclusive use of the owner of the contiguous unit. The limited common elements are: the yard adjacent to each unit as shown on the site plan attached as Exhibit "B". The yard adjacent to each unit is generally described as the tract of land that extends from the unit to the front boundary line of each unit and to the back boundary line of each unit and to the side boundary line of each unit.
2. **Maintenance.** The landscaping and maintenance of the yard adjacent to each unit shall be the obligation of the owner of the contiguous unit.

ARTICLE VI
DECLARANT'S RESERVED RIGHTS AND POWERS

1. **Declarant's Activities.** Declarant is irrevocably and perpetually empowered, notwithstanding any use restriction or other provision hereof to the contrary, to sell, lease or rent units to any person and shall have the right to transact on the condominium property any business relating to construction, repair, remodeling, sale, lease or rental of units, including but not limited to, the right to maintain signs, employees, independent contractors and equipment and materials on the premises to use common elements (general and limited), and to show units. All signs and all items and equipment pertaining to sales or rentals or construction in any unit furnished by the Declarant for sales purposes shall not be considered common elements and shall remain Declarant's separate property. Declarant retains the right to be and remain the owner of completed but unsold units under the same terms and conditions as other owners including membership in the Association except for its rights to sell, rent or lease
2. **Easements.** Declarant expressly reserves perpetual easements for ingress, egress and utility purposes as may be required across and under the land submitted hereby and shown upon the site plan.
3. **Designation Of Association Directors.** Notwithstanding anything in this Declaration, the Articles of Incorporation, or the Bylaws, the Declarant retains the right to name all Directors of the Association until such time as two-thirds (2/3) of the units have been sold to third-party purchasers. Such Directors need not be unit owners. The Declarant shall also be required to pay assessments for all units in final completion.

ARTICLE VII
MANAGEMENT OF THE REGIME

1. **Association; Council Of Co-Owners.** The operation of the condominium shall be by a non-profit membership corporation organized and existing under Chapter 504, Code of Iowa. The name of the Association shall be Rachel Faye Condominiums Owners Association. Copies of its Articles of Incorporation and Bylaws are attached hereto as Exhibits "D" and "E", respectively. Whenever a vote or other action of unit owners as a group is required, the mechanics of conducting such a vote or taking such action shall be under the control and supervision of the Association. The action of the Association shall constitute the action of the owners of the Council of Co-owners whenever such action is permitted or required herein or by Chapter 499B, Code of Iowa.

2. **Compliance.** All owners, tenants, families, guests and other persons using or occupying the regime shall be bound by and strictly comply with the provisions of the Bylaws of the Association and similar regulations and determinations lawfully made by the Association; and its Directors, officers or agents shall be binding on all such owners and other persons. A failure to comply with the Bylaws or the provisions of the other condominium documents or any agreement or determination thus lawfully made, shall be grounds for an action to recover sums due for damages on the part of the Association or any owner as applicable and any mandatory or other injunctive relief without waiving either remedy.

3. **Power Of Association.** Each owner agrees that the Association has and shall exercise all powers, rights and authority granted unto it, the Council of Co-owners and the owners as a group by Chapters 499B and 504 of the Code of Iowa, and such as are more particularly set forth in the condominium documents, including but not limited to, the making of assessments chargeable to owners and the creation of a lien on units thereof, and acquiring a unit at foreclosure sale and holding, leasing, mortgaging or conveying the same. Each owner hereby waives any rights to delay or prevent such foreclosure by the Association which he may have by reason of a homestead exemption.

4. **Partition.** All unit owners shall be deemed to have waived all rights of partition, if any, in connection with such acquisition.

5. **Membership, Voting Rights.** The voting rights of the members are set out in Article III of this Declaration.

6. **Restraint Upon Assignment.** The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the unit.

7. **Board Of Directors.** The affairs of the Association shall be conducted by a Board of Directors. The Board may employ a manager of managerial service company and delegate various responsibilities to such person as more particularly described in the Bylaws. The management fee shall be a common expense.

8. **Discharge Of Liability.** All owners shall promptly discharge any lien which may hereafter be filed against their condominium unit.

9. **Limitation Of Association's Liability.** The Association shall not be liable for any injury or damage to property whatsoever unless caused by the negligence of the Association.

10. **Indemnification Of Directors And Officers.** Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including legal fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, or any settlement thereof, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

11. **Assessments.** The Association shall have all powers and authority granted to it by Chapter 499B, Code of Iowa, including, but not limited to the responsibility for the care, maintenance, repair, replacement and restoration of the common elements and facilities, the common area, and the making of assessments chargeable to owners. All sums so assessed but unpaid shall constitute a lien on the respective unit prior to all other liens, except:

- A. Liens for taxes and assessments lawfully imposed by governmental authority against such property.
- B. All sums secured by mortgages of record.

Such liens may be foreclosed by suit by the Association or its representatives in a like manner as a mortgage of real property provided that thirty (30) days written notice of the intention to foreclose shall be mailed, postage prepaid, to the owner as shown by the Association's record of ownership. In the event a lien of the Association shall be foreclosed, the unit owner shall be required to pay a reasonable rental for the unit and the Association shall be entitled to the appointment of a receiver to collect the same. The Association or its representatives shall have the power to bid on such unit at foreclosure sale and to acquire, hold, lease, mortgage and convey such unit. Suit to recover a money judgment for unpaid common expenses may be filed without foreclosing or waiving the lien securing the same.

- A. **Notice.** The Association may file a lien for unpaid assessments by filing a notice thereof with the Dickinson County Recorder. Such notice shall be signed by an officer of the Association.

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- B. **Title.** When a mortgagee or purchaser of a unit obtains title as a result of a foreclosure of a first mortgage, such mortgagee or the purchaser shall not be liable for the assessments chargeable to such unit due prior to the acquisition of title. Such unpaid assessments shall thereafter be deemed to be common expenses collectable from all unit owners including the mortgagee or purchaser.
- C. **Voluntary Conveyance.** In a voluntary conveyance, the Grantee of a unit shall be jointly and severally liable with the Grantor for all unpaid assessments on that unit up to the time of the conveyance. The Grantee shall, however, retain the right to recover from the Grantor any amounts paid by the Grantee therefore. Any Grantee under a voluntary conveyance shall be entitled to a statement from the Council of Co-owners or its representatives stating the amount of the unpaid assessments against the Grantor and said Grantee shall not be liable for nor shall the unit conveyed be subject to a lien for any unpaid assessments in excess of the amount appearing in said statement.

ARTICLE VIII MAINTENANCE, ALTERATION AND IMPROVEMENT

1. **Definitions.** Certain terms used in this Article shall have a meaning as follows, provided any dispute over the characterization of work within one of the following meanings shall be conclusively decided by the Board of Directors of the Association.
- A. "Maintenance" or "repair" shall mean the act of maintaining, restoration, renovation, reconstruction, replacement, rebuilding and similar work necessary to preserve a unit or the property in its original condition as completed.
- B. "Improvement" shall mean the addition of a new structure, element or facility, other than a structure, element or facility otherwise provided for by this Declaration or any Supplementary Declaration.
2. **Maintenance By Association.**
- A. The Association shall have all powers and authority granted to it by Chapter 499B, Code of Iowa, including, but not limited to, the responsibility for the care, maintenance, repair, replacement and restoration of the common elements and facilities and the making of assessments chargeable to owners except where maintenance has specifically been made the responsibility of a unit.

- B. The Association shall repair incidental damage caused to a unit through maintenance by the Association and shall assess the cost thereof as a common expense.
- C. If a unit owner defaults on his responsibilities of maintenance, the Association shall assume such responsibilities and shall assess the costs thereof against the unit of such owner and such assessment shall be collectible as if it were an assessment for common expenses.
- D. The Association may, in its discretion, assume responsibility for any maintenance project which requires re-construction, repair, re-building, conservation, restoration or similar work to more than one unit and the costs thereof may be, in the discretion of the Association, either assessed against each unit on which such costs were incurred or assessed against all units as a common expense according to the circumstances.

3. **Maintenance Of Owner.**

- A. Each unit owner, at his own expense, shall maintain the exterior walls and roof, and the interior boundary surfaces of such unit and its equipment; shall keep the interior in a clean and sanitary condition; shall do all redecorating, painting and other finishing which may at any time be necessary to maintain the unit; and shall be responsible for the maintenance and replacement of all personalty including carpets, other floor coverings, furnishings, and appliances within such unit.
- B. The owner of each unit shall be responsible for maintaining and replacing the plumbing fixtures within the unit and the furnace and air conditioning unit serving such unit together with heating ducts and all other utilities including electrical and electrical fixtures or portions thereof located within the boundaries of the unit. The owner shall also keep in a clean and sanitary condition the unit and any yard which is for the exclusive use of the unit.

4. **Alterations Or Improvements By Owner.** No unit owner shall make or permit to be made any structural alteration to the unit without first obtaining written consent of the Board of Directors of the Association. Alterations to the exterior of any unit shall not be made if, in the opinion of the Board of Directors of the Association, such alteration would be detrimental to the integrity or appearance of the regime as a whole. Unit owners shall do no act or work which will impair the structural soundness or integrity of his unit. The improvement or alteration of a unit shall cause no increase or decrease in the number of ownership interests appurtenant to such unit.

5. **Alterations Or Improvements By The Association.** Whenever in the judgment of the Board of Directors of the Association, the common elements shall require additions, alterations, or improvements costing in excess of Three Thousand Dollars (\$3,000.00) and the making of such additions, alterations or improvements shall have been approved by a majority of the unit owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all unit owners for the costs thereof as a common charge. Any additions, alterations or improvements costing Three Thousand Dollars (\$3,000.00) or less may be made by the Board of Directors without approval of unit owners, and the costs thereof shall constitute part of the common expenses.

ARTICLE IX
CONDITIONS OF AND RESTRICTIONS ON OWNERSHIP, USE AND ENJOYMENT

1. **Property Subject To Certain Provisions.** The ownership, use, occupation, and enjoyment of each unit and of the common elements of the regime shall be subject to the provisions of this Declaration, the Bylaws, and related documents of the Association, all of which provisions irrespective of where set forth or classified shall have equal status and shall be enforceable and binding as a covenant, condition, restriction, or requirement running with the land and shall be binding on and enforceable against each and all lessees, tenants, occupants and successors in interest. The Association shall have the authority to adopt rules and regulations governing the use of the property, including individual units, and such rules will be observed and obeyed by the owners, their guests, and lessees.

2. **Commercial Use Of Property.** The units have been designated for commercial purposes only. Each unit designated for commercial purposes will be subject to those restrictions adopted from time to time by the Association.

ARTICLE X
INSURANCE AND CASUALTY

1. **General Liability And Property Damage.** Comprehensive general liability and property damage insurance shall be purchased by the Board as promptly as possible following its election, and shall be maintained in force at all times, the premiums thereto to be paid by assessments of monthly condominium Association fees. Prior to the organizational meeting, such insurance shall be procured by Declarant. The insurance shall be carried with reputable companies authorized to do business in the State in such amounts as the Board may determine. The policy or policies shall name as insured the owners and the Association. Declarant shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all of the condominiums in the project. The policy or policies shall insure against loss arising from perils in both the common areas and the units and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Association and/or the Board.

2. **Fire And Casualty.** Fire and other hazard insurance shall be purchased by the Board as promptly as possible following its election and shall thereafter be maintained in force at all times, the premiums thereto to be paid out of the monthly condominium Association fees. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as may be required by the respective mortgagees. The policy, and certificates so issued, will bear a mortgage clause naming the mortgagees interested in said real property. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the project, except as may be separately insured. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the owners, the Association and Declarant, so long as Declarant is the owner of any of the units in the project. The Declarant shall notify the insurance carrier of any change in ownership of a unit until such time as the Declarant shall no longer own ten percent (10%) or more of the units, at which time it shall be the responsibility of the Association to notify the insurance carrier of a change in the ownership of any unit. The policy or policies shall also cover personal property owned in common, and shall further contain waiver of subrogation rights by the carrier as to negligent owners.

3. **Fire And Casualty On Individual Units.** Fire and other hazard insurance shall be purchased by the unit owner contemporaneously with the transfer of title to the unit owner and shall thereafter be maintained in force at all times, the premiums to be paid by the unit owner. All real property interests of the owner in the unit including, but not limited to, exterior walls and roof, and mechanical equipment located within a unit such as plumbing fixtures, electrical lighting fixtures, kitchen and bathroom cabinets and counter tops, furnace, air conditioning and water heater, together with additions thereto and replacements thereof, as well as the personal property of the unit owner, shall be separately insured by such owner, such insurance to be limited to the type and nature of coverage often referred to as "Condominium Unit Owners Insurance".

4. **Additional Coverage.** The Board may purchase and maintain in force at the expense of the common maintenance fund, debris removal insurance, fidelity bonds, and other insurance and/or bonds that it deems necessary. The Board shall purchase and maintain workers' compensation insurance to the extent that the same shall be required by law respecting employees of the Association. The Board shall also maintain "all risk" insurance coverage on the project to insure against water damage and like kind of casualties, if such insurance would be reasonably available.

5. **Loss Adjustment.** The Board is hereby appointed the attorney-in-fact for all owners to negotiate loss adjustments on the policy or policies carried by the Association.

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6. **Damage To A Unit.** It shall be the decision of the unit owner whether to rebuild, repair, restore, or sell the unit in the event of the damage or destruction of all or part of an individual unit. The unit owner shall promptly commence the rebuilding, repair or restoration of the unit in the event the owner determines not to sell and in all events, shall take all appropriate actions to remove all debris.

7. **Damage To A Common Element.** In the event of sixty percent (60%) or more damage to a common element, including the common area, by fire or other casualty, the owners of the individual units, by vote of not less than a majority of those present and entitled to vote, in person or by proxy, at a duly constituted owners' meeting held within thirty (30) days of such damage or destruction, shall determine whether to rebuild, repair, restore, or sell the damaged property.

8. **Deficiency.** In the event that the common area is repaired or reconstructed and there is any deficiency between the insurance proceeds paid for the damage to the common area and the contract price for repairing or re-building the common area, the Board shall levy a special assessment against each owner in proportion to his fractional interest of ownership in the common area to make up such deficiency. If any owner shall fail to pay said special assessment or assessments within thirty (30) days after the mailing by the Association to an owner of the levy and a due date for payment, the remaining owners shall be entitled to the same remedies as those provided in Article VII of this Declaration, covering a default of any owner in the payment of maintenance charges.

9. **Abatement Of Common Expenses.** The Board is authorized to provide coverage for payment of maintenance charges which are abated hereunder in behalf of an owner whose unit is rendered uninhabitable for a peril insured against

10. **Review Of Insurance Needs.** Insurance coverages will be analyzed by the Board, or its representative, at least every year from the date hereof and the insurance program revised accordingly.

ARTICLE XI **TERMINATION**

1. **Procedure.** The condominium may be terminated in the manner provided in the Horizontal Property Act.

2. **Agreement.** The condominium may be terminated at any time by the approval in writing of all of the owners of the condominium and by holders of all liens affecting any of the units by filing an instrument to that effect, duly recorded, as provided in Chapter 499B, Code of Iowa. It shall be the duty of every unit owner and his respective lien holder to execute and deliver such instruments and to perform all acts as in the manner and form that may be necessary to effect the

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sale of the project when at a meeting duly convened of the Association, the owners of 100% of the voting power, and all record owners of mortgages upon units in the regime, elect to terminate and/or sell the project.

3. **Form Of Ownership After Termination.** After termination of the condominium, the project will be held as follows:

- A. The common elements shall be deemed to be owned as a tenancy in common by the owners.
- B. The undivided interest in the property owned in common which shall appertain to each unit owner shall be the fractional interest previously owned by such owner in the common area and facilities.
- C. Any liens affecting any of the condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the owner in the property.
- D. After termination, the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the owners in a percentage equal to the fractional interest owned by each owner in the common elements, after first paying out of the respective shares of the owners, to the extent sufficient for the purposes, all liens on the undivided interest in the property owned by each owner.

ARTICLE XII AMENDMENTS AND MISCELLANEOUS

1. **Procedure.** Except as otherwise provided in this Declaration, this Declaration may be amended and such amendment shall be made in the following manner:

- A. **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Holders of a first mortgage of record shall receive notice of such proposed amendment as provided in the Bylaws of the Association.
- B. **Resolution.** A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by any member of the Association. Except as provided elsewhere, the resolution must be adopted by a vote of not less than 66 2/3% of all owners entitled to vote, in person or by proxy.

- C. **Bylaws.** In the case of an amendment to this Declaration by reason of an amendment to the Bylaws of the Association, then in the manner specified in such Bylaws.
- D. **Execution And Recording.** An amendment adopted pursuant to Subparagraphs B or C above shall be executed by an officer specifically delegated to do so with the formalities required by Chapter 499B, Code of Iowa. Upon the recording of such instrument in the office of the Dickinson County Recorder, the same shall be effective against any persons owning an interest in a unit or the regime.

2. **Amendment Of Ownership Interest.** No amendment shall change the fractional interest of ownership in the common elements appurtenant to a unit, nor increase the owner's share of the common expenses unless the record owner of the unit concerned and all record owners of mortgages thereon shall affirmatively join in the adoption of such amendment.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

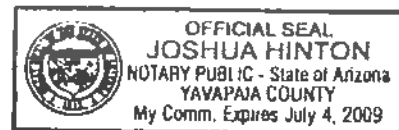
RACHEL FAYE FAMILY, L.L.P.,
Declarant

By: *Kenneth J. Ferguson*
Kenneth J. Ferguson, A General Partner

STATE OF ARIZONA, COUNTY OF Yavapai, ss:

On this 18th day of January, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared KENNETH J. FERGUSON, to me personally known, who being by me duly sworn, did say that he is a General Partner of the partnership executing the within and foregoing instrument; that no seal has been procured by the said partnership; that said instrument was signed on behalf of said partnership by authority of its Partners, and that the said KENNETH J. FERGUSON, as a General Partner, acknowledged the execution of said instrument to be the voluntary act and deed of said partnership, by it and by him voluntarily executed.

Joshua Hinton
Notary Public



112

EXHIBIT 'A'

UNIT #	AREA (SQ. FT.)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS
1	13,642.62	1/12
2	17,221.94	1/12
3	10,622.55	1/12
4	10,460.15	1/12
5	16,383.60	1/12
6	13,455.88	1/12
7	22,397.95	1/12
8	24,675.38	1/12
9	22,902.31	1/12
10	25,950.18	1/12
11	34,551.25	1/12
12	90,823.85	1/12

UNIT #	AREA (SQ. FT.)	PERCENTAGE INTEREST IN THE COMMON ELEMENTS OF LOT 1, FAYE MEADOWS SUBDIVISION
2-A	1446	1/60
2-B	1446	1/60
2-C	1446	1/60
2-D	1446	1/60
2-E	1446	1/60



I hereby certify that this plan, specification or report was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.
 Signed: *Brad M. Beck* Date: *12/1/08*
 Brad M. Beck, P.E.
 License renewal date: 2/28/10
 Pages or sheets covered by this seal: 1 of 1

Drawn: 1-21-08 by BMS Revised:	Checked by: BMB Project No.: 304063	TRACT 1 FAYE MEADOWS SUBDIVISION HORIZONTAL PROPERTY REGIME EXHIBIT 'A'		Beck Engineering, Inc. 2803 15th Street P.O. Box 348 Spirit Lake, Iowa 51360 (712) 838-3596	CLIENT: Ken Peterson Peterson Landings - Corp. Hwy. 71 E. Spirit Lake, IA 51360
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EXHIBIT 'B'

RACHEL FAYE CONDOMINIUMS

A HORIZONTAL PROPERTY REGIME UPON LOT ONE (1), FAYE MEADOWS SUBDIVISION, DICKINSON COUNTY, IOWA.

CLIENT: Ken Ferguson
Ferguson Landscaping Corp.
P.O. Box 348
Spirit Lake, Iowa 50580
(712) 336-3596

Beck Engineering, Inc.
2803 15th St. SE
P.O. Box 348
Spirit Lake, Iowa 50580
(712) 336-3596

TRACT 1 FAYE MEADOWS SUBDIVISION
HORIZONTAL PROPERTY REGIME
EXHIBIT 'A'

Checked by: BRB
Project No.: 104053

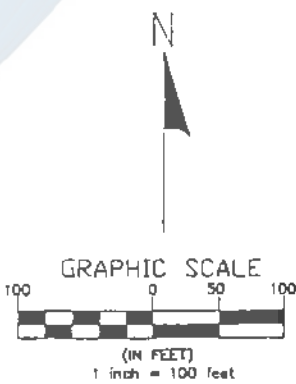
Drawn: 1-21-08 by BRB
Revised: _____
BHEET 1

CURVE	LENGTH	RADIUS	DELTA ANGLE	PERCENT	CHORD BEARING	CHORD
C0	11.37	25.00	19°33'39"	25.00	S3°42'28"W	42.00
C1	12.50	15.00	6°23'17"	6.77	S8°27'30"W	13.25
C2	20.50	25.00	23°29'24"	15.70	N8°24'28"E	28.80
C3	8.72	25.00	7°29'18"	1.27	S8°27'18"E	8.77
C4	17.66	25.00	17°36'30"	6.44	S28°18'15"W	16.98
C5	17.78	25.00	20°22'19"	5.99	S8°18'21"W	17.68
C6	84.00	100.00	48°09'25"	28.80	S87°48'00"W	84.00
C7	73.80	100.00	38°24'27"	25.33	S77°44'30"W	72.45
C8	46.27	25.00	58°24'39"	25.80	S48°17'24"E	42.83
C9	54.90	75.00	44°33'37"	23.59	N2°43'00"E	33.57
C10	75.22	50.00	44°38'30"	20.79	S2°43'48"E	38.22
C11	43.72	100.00	24°12'30"	23.25	S11°29'30"W	43.26
C12	53.84	100.00	30°39'18"	27.27	N17°29'00"E	53.84
C13	31.42	25.00	50°38'00"	25.00	S88°11'30"W	25.00
C14	104.30	75.00	17°56'09"	14.35	S10°12'00"E	122.80
C15	70.80	25.00	67°03'54"	23.99	N46°14'30"E	64.78
C17	79.67	25.00	44°39'37"	26.71	N2°43'00"W	38.22

NOTE: FOOTPRINT OF BUILDINGS REPRESENTS THE OUTER EDGE OF THE WALLS.

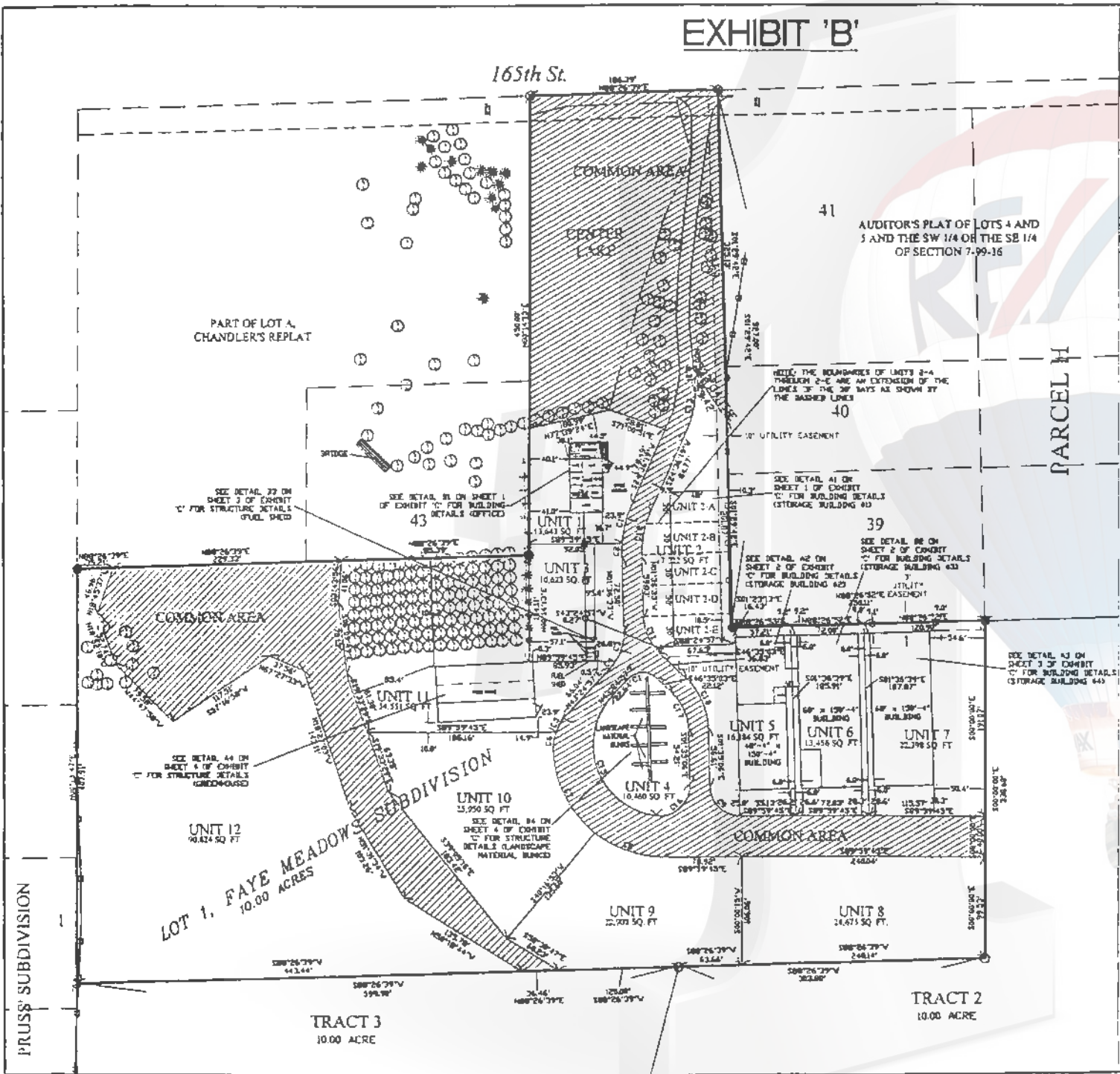
LEGEND

- IRON PIN
- 5/8" X 24" REBAR SET BY LS #8103
- ⊗ BERTHSON SURVEY MARK SET BY LS #8103
- ⊕ DECIDUOUS TREE
- ⊖ CONIFEROUS TREE
- FENCELINE



I hereby certify that this plan, specification or report was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

Brad M. Beck Date 1/21/08
Brad M. Beck, P.E. Lic. No. 0780
License renewal date 03/31/09
Pages or sheets covered by this seal 1 of 1



165th St.

41

AUDITOR'S PLAY OF LOTS 4 AND 5 AND THE SW 1/4 OF THE SE 1/4 OF SECTION 7-99-16

40

PARCEL 11

PART OF LOT A, CHANDLER'S REPLAT

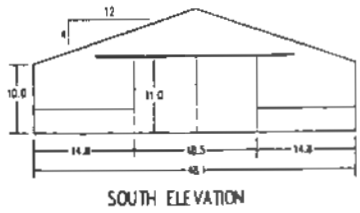
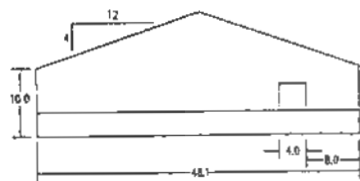
LOT 1, FAYE MEADOWS SUBDIVISION
10.00 ACRES

TRACT 3
10.00 ACRE

TRACT 2
10.00 ACRE

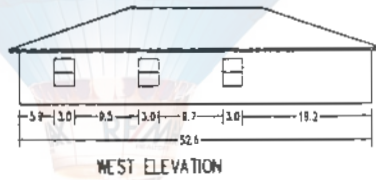
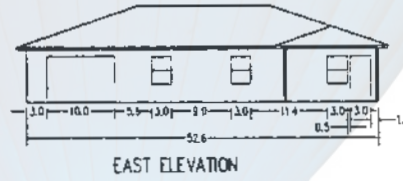
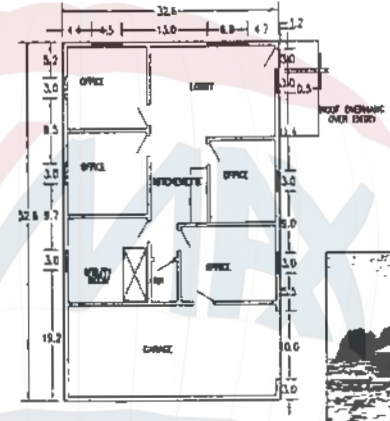
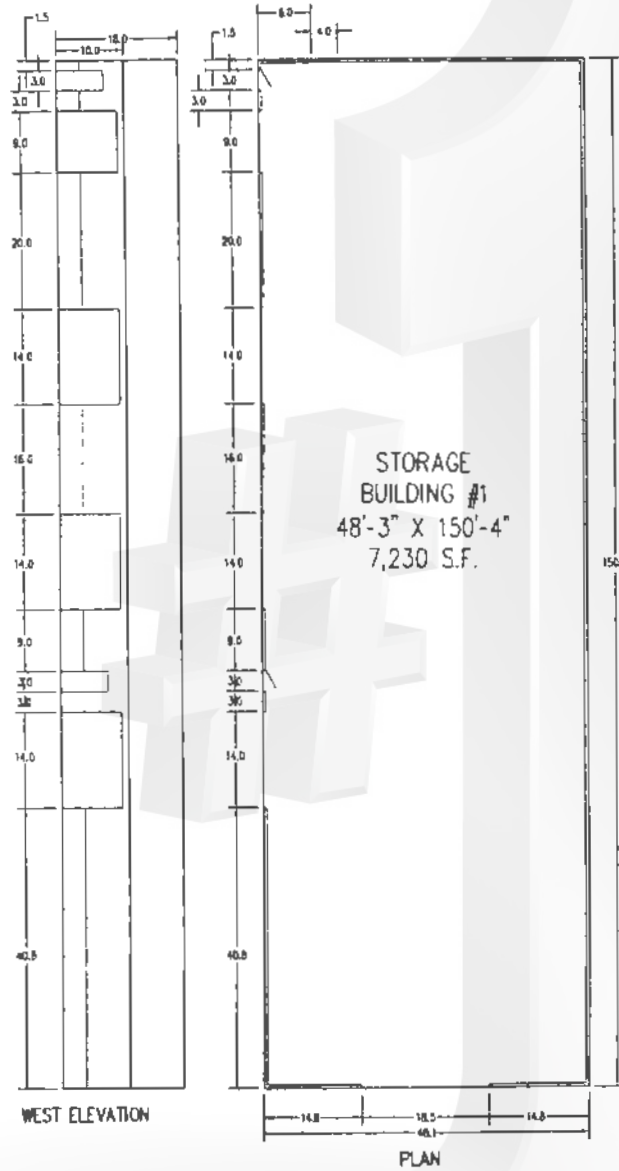
PRUSS' SUBDIVISION

EXHIBIT 'C'

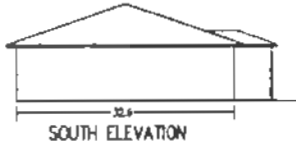
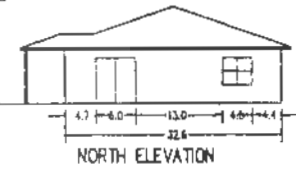


DESCRIPTION:
WOOD FRAME BUILDING CONSTRUCTED BY MORTON BUILDINGS. EXTERIOR IS TWO-TONE BROWN CORRUGATED TIN SHEETING.

A STORAGE BUILDING #1 ARCHITECTURAL DETAIL
1 (20 SCALE)



DESCRIPTION:
STICK FRAMED BUILDING WITH ASPHALT SHINGLES AND GYPSUM BOARD SIDING. INTERIOR WALLS ARE STICK FRAMED AND SHEETROCKED.

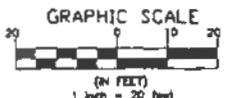


B OFFICE ARCHITECTURAL DETAIL
1 (20 SCALE)

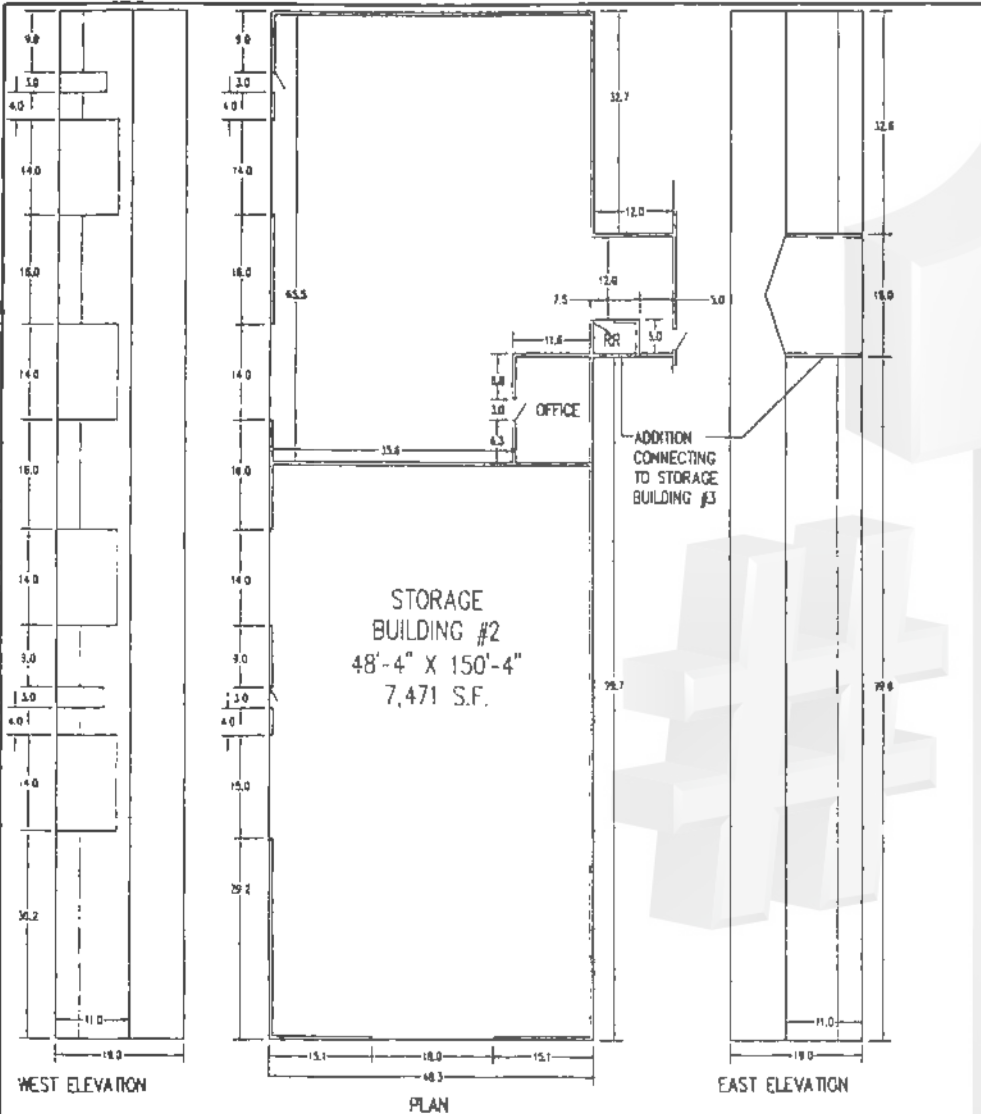
I hereby certify that this plan, specification or report was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.
Signed



Brad N. Beck Date 1/21/08
Brad N. Beck, P.E.
License number 07702
12/28/02
Pages or sheets covered by this seal 4 of 4

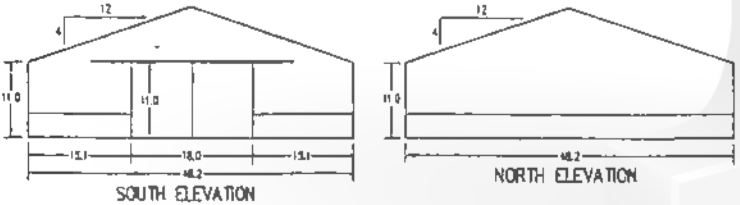


CLIENT: Iowa Ferguson Landscape Construction Corp Highway 71 N. North Lake, IA 52860	Beck Engineering, Inc. 2800 15th Street P.O. Box 348 Spirit Lake, Iowa 52580 (712) 338-3586	BEI Beck Engineering, Inc.	TRACT 1, FAYE MEADOWS SUBDIVISION HOPEFUL PROPERTY RESERVE ARCHITECTURAL PLANS
Drawn 12-20-07 by: S/G	Checked by: B/B	Project No. 0714663	B-SHEET 1

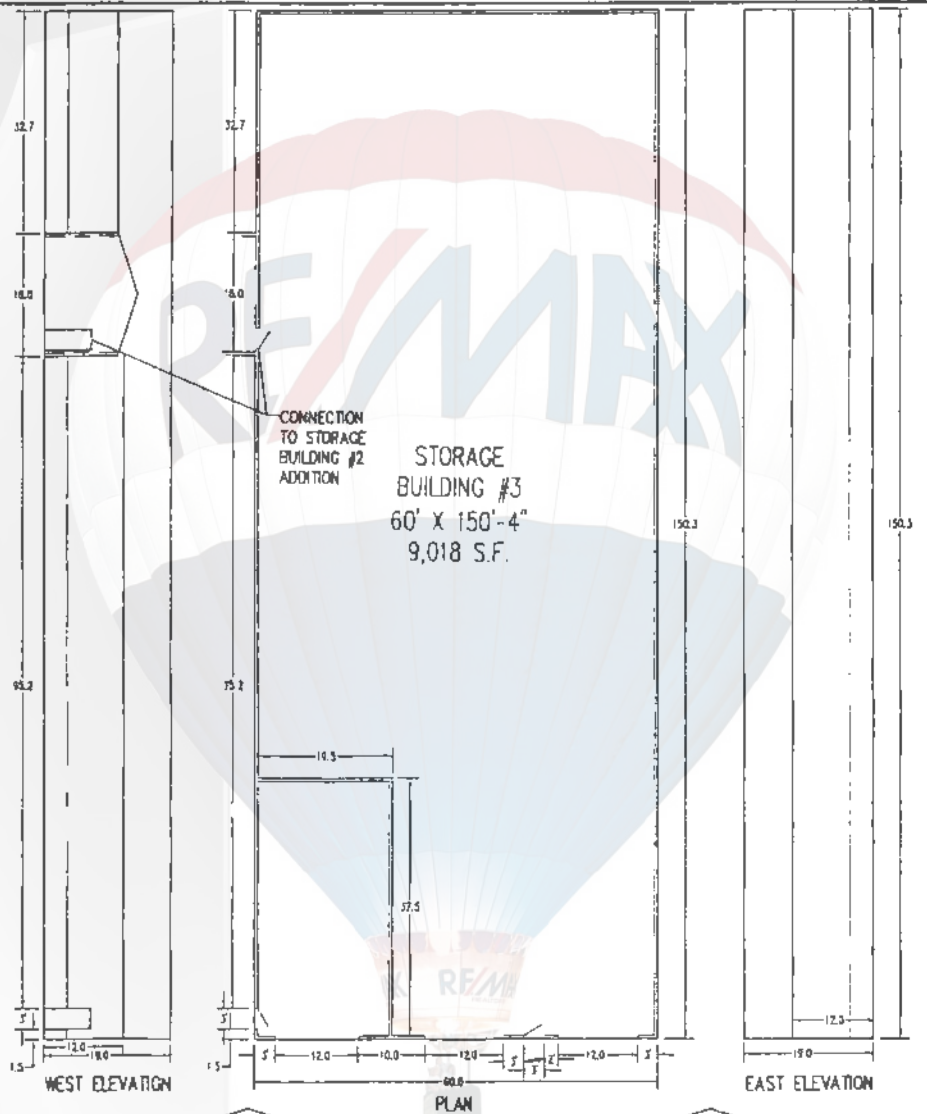


STORAGE BUILDING #2
48'-4" X 150'-4"
7,471 S.F.

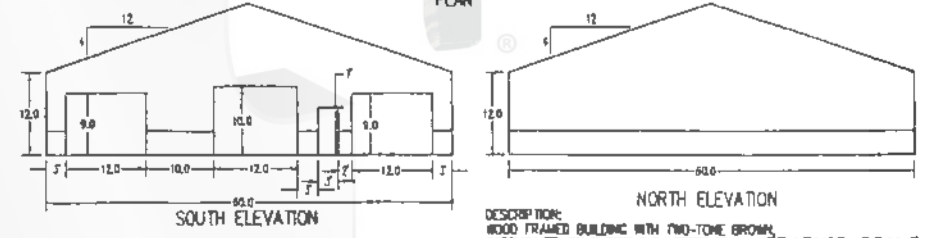
DESCRIPTION:
WOOD FRAMED BUILDING WITH TWO-TONE BROWN CORRUGATED TIN SHEETING ON EXTERIOR. NORTH PORTION OF STORAGE BUILDING #2 HAS AN INSULATED METAL LINER AND THE OFFICE IN THAT PORTION IS STICK-FRAMED AND SHEETROCKED. THE ADDITION THAT CONNECTS TO BUILDING #3 IS LINED WITH PLYWOOD AND INSULATED.



A STORAGE BUILDINGS #2 ARCHITECTURAL DETAIL
2 (20 SCALE)



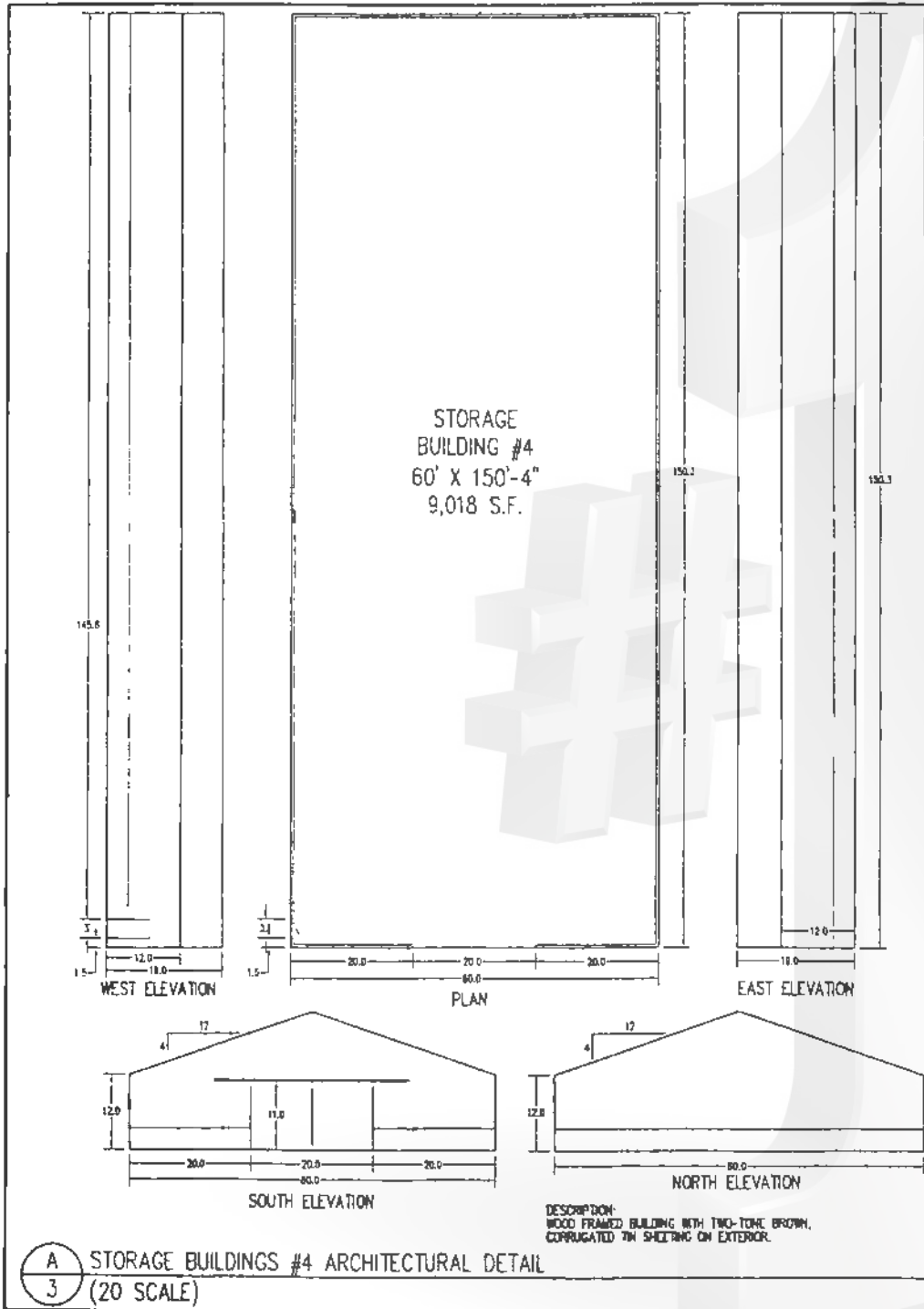
STORAGE BUILDING #3
60' X 150'-4"
9,018 S.F.



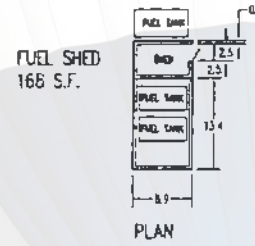
DESCRIPTION:
WOOD FRAMED BUILDING WITH TWO-TONE BROWN CORRUGATED TIN SHEETING ON EXTERIOR.
GRAPHIC SCALE
1 inch = 20 feet

B STORAGE BUILDINGS #3 ARCHITECTURAL DETAIL
2 (20 SCALE)

Drawn: 12-20-07 by SKC	Checked by: BNS	CLIENT:	Beck Engineering, Inc.
		Project No. 504063	2803 15th St east Baird Lake, Iowa 50900 (712) 836-3506
Revised:			
		TRACT 1, FAYE MEADOWS SUBDIVISION HORIZONTAL PROPERTY RESUME ARCHITECTURAL PLANS	
		CLIENT: Ken Ferguson Ferguson Landscape Corp. 1011 11th St. N. North Lake, IA 50900	



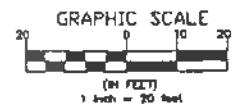
A STORAGE BUILDINGS #4 ARCHITECTURAL DETAIL
3 (20 SCALE)



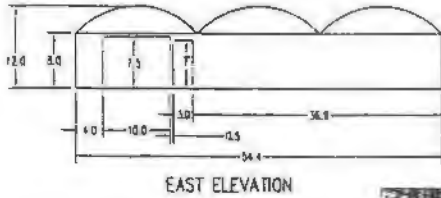
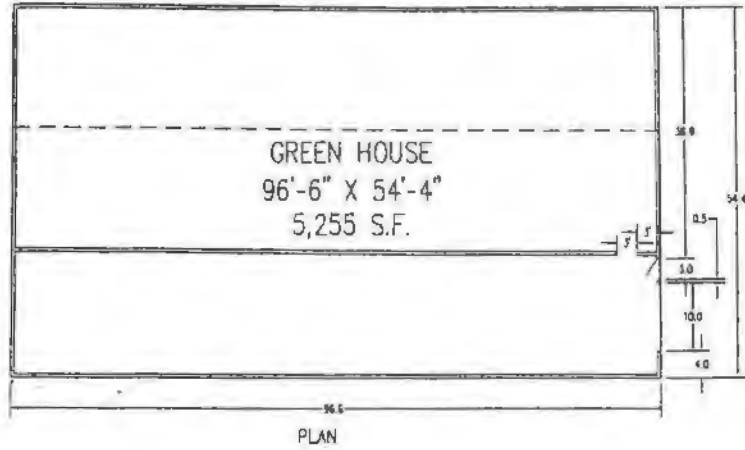
DESCRIPTION:
WOOD FRAME BUILDING WITH BROWN CORRUGATED
TIN SHEETING ON EXTERIOR. FUEL TANKS ARE
SURROUNDED BY A 1'-8" CONCRETE WALL.



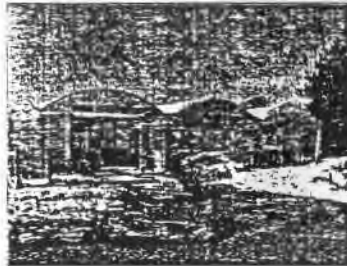
B FUEL SHED ARCHITECTURAL DETAIL
3 (20 SCALE)



<p>CLIENT: Sun Program Puritan Landscapes Corp. Map, 71 E. Spartan Lake, IA 5000</p>	<p>Beck Engineering, Inc. 2803 18th Street P.O. Box 348 Spartan Lake, Iowa 50000 (712) 339-3596</p>	<p>BET Beck Engineering, Inc.</p>	<p>TRACT 1 FAYE MEADOWS SUBDIVISION HORIZONTAL PROPERTY RESUME ARCHITECTURAL PLAN</p>	<p>Checked by JMB</p>
				<p>Project No. S0-0163</p>
<p>Drawn 12-20-07 by SKG</p>	<p>Revised</p>	<p>SHEET 3</p>		

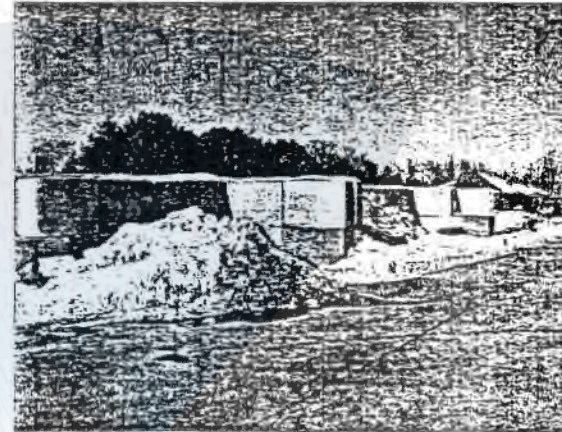
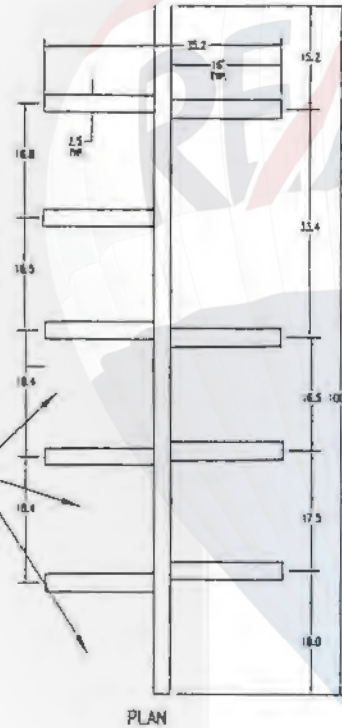


DESCRIPTION:
WOOD FRAME BUILDING COVERED WITH 8 MM LEXAN
DOMES AND A DOUBLE-POLY SHEETING OVERHEAD.
THIS BUILDING IS PLANNED TO BE REMOVED FROM
SITE.



A GREENHOUSE ARCHITECTURAL DETAIL (TO BE REMOVED)
4 (20 SCALE)

LANDSCAPE MATERIAL
BUNKS CONSTRUCTED OF
MODULAR PCC BLOCKS



B LANDSCAPE MATERIAL BUNKS ARCHITECTURAL DETAIL
4 (20 SCALE)



CLIENT:
Ken Ferguson
Ferguson Landscape Corp.
New, 718
Brent Lake, IA 52002

Beck Engineering, Inc.
2803 15th Street
P.O. Box 348
Boehl Lake, Iowa 51300
(712) 358-3596

BEZ
Beck Engineering, Inc.

TRACT 1 FAYE MEADOWS BLENDISON
HORIZONTAL PROPERTY REGIME
ARCHITECTURAL PLANS

Checked by
BIB
Project No.
504663

Drawn 12-20-07 by SKG
Revised
SHEET 4

EXHIBIT 'D'
ARTICLES OF INCORPORATION
OF
RACHEL FAYE CONDOMINIUMS OWNERS ASSOCIATION

The undersigned, acting as incorporator of a corporation pursuant to the provisions of the Revised Iowa Nonprofit Corporation Act under Chapter 504, Code of Iowa, adopts the following Articles of Incorporation for such corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

The corporation shall be known as Rachel Faye Condominiums Owners Association, and its principal offices shall be located in Spirit Lake, Dickinson County, Iowa.

ARTICLE II
CORPORATE EXISTENCE

The corporate existence of this corporation shall begin upon the date these Articles are filed with the Secretary of State, and the period of its duration is perpetual.

ARTICLE III
PURPOSES AND POWERS

A. The purpose and objective of the corporation is to provide an entity to conduct the business and affairs of, and to act as or for, the co-owners of that certain horizontal property regime (condominium) created and submitted pursuant to the provisions of Chapter 499B, Code of Iowa, as amended, known as Rachel Faye Condominiums, and to be located on all or certain portions of real estate situated in Dickinson County, Iowa.

The corporation shall have all powers and purposes granted to or implied to a Council of Co-owners under the provisions of Chapter 499B, Code of Iowa, as amended, and as are granted or implied by the Declaration of Condominium establishing said condominium regime, and all of such powers shall likewise constitute lawful purposes of the corporation.

B. The purposes of the corporation are exclusively not for private profit or gain and no part of its activities shall consist of carrying on political propaganda or otherwise attempting to influence legislation, and the corporation shall make no distribution of income to its members, directors, or officers.

C. The corporation shall, additionally, have unlimited power to engage in, and to do any lawful act concerning any or all lawful business for which corporations may be organized under the Revised Iowa Nonprofit Corporation Act.

ARTICLE IV
REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is Kenneth J. Ferguson, and the name of its initial registered agent at such address is 3014 Zenith Avenue, Spirit Lake, Iowa 51360.

ARTICLE V
BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the corporation is one (1), and the name and address of the person who is to serve as the initial Director is:

<u>Name</u>	<u>Address</u>
Kenneth J. Ferguson	3014 Zenith Avenue Spirit Lake, Iowa 51360

The initial Board of Directors shall be subject to the removal only by Kenneth J. Ferguson until his term expires as provided in the Bylaws, but thereafter a Director may be removed from office at a special meeting of the members of the corporation as may be provided by the Bylaws.

ARTICLE VI
BYLAWS

The initial Bylaws of the corporation shall be adopted by its initial Board of Directors, but the power to thereafter alter, amend or repeal the same or adopt new Bylaws is reserved to the members of the corporation.

ARTICLE VII
MEMBERS AND VOTING

Persons or entities owning condominium units submitted to the regime shall be the members of the corporation, all of which and the rights and obligations thereof shall be governed by the provisions of the Bylaws. The voting rights of the members shall be fixed, limited, enlarged, or denied to the extent specified by the Bylaws.

Rachel Faye Condominiums Owners Association
Articles of Incorporation
Page Three

ARTICLE VIII
DISTRIBUTION OF ASSETS UPON LIQUIDATION

In the event of liquidation, assets, if any remain, shall be distributed to the members in accordance with their proportionate share of ownership in the condominium regime, as determined by the Declaration of Condominium and the Bylaws.

ARTICLE IX
AMENDMENT

Any purported amendment to these Articles of Incorporation in conflict with or contrary to the provisions of the Declaration of Condominium (including supplements and amendments thereto which submit lands and units to the regime) shall be void and of no force and effect.

ARTICLE X
INCORPORATOR

The name and address of the incorporator is Kenneth J. Ferguson, 3014 Zenith Avenue, Spirit Lake, Iowa 51360.

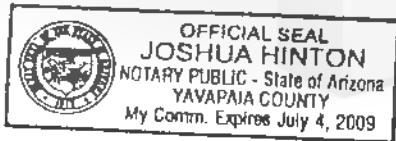
Dated this 18 day of January, 2008.



Kenneth J. Ferguson

STATE OF ARIZONA, COUNTY OF Yavapai, ss:

On this 18th day of January, 2008, before me, the undersigned, a Notary Public in and for the State of Arizona, personally appeared Kenneth J. Ferguson, to me known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.





Notary Public - State of Arizona

EXHIBIT 'E'

BYLAWS OF RACHEL FAYE CONDOMINIUMS OWNERS ASSOCIATION

ARTICLE I ORGANIZATION

1.01 INCORPORATION. Rachel Faye Condominiums Owners Association shall be incorporated under the Revised Iowa Nonprofit Corporation Act, Chapter 504, Code of Iowa, as a corporation not for profit. The members shall consist of the unit owners in Rachel Faye Condominiums, as defined by the Declaration of Submission to a Horizontal Property Regime for Rachel Faye Condominiums (hereinafter referred to as the "Declaration")

1.02 PRINCIPAL OFFICE. Until all units have been conveyed by Rachel Faye Family, L.L.P. (hereinafter the "Declarant"), or until the Declarant relinquishes control of the Board, the principal office of the Association shall be 3014 Zenith Avenue, Spirit Lake, Iowa 51360. Thereafter, the President of the Association shall be the person designated to receive service of process for the Association and the principal office of the Association shall be at such suitable place convenient to the owners as may be designated by the Board. All meetings of the Association shall be held in its principal office unless some other place is stated in the call.

1.03 VOTING RIGHTS. The voting rights are set out in Section 4 of Article III of the Declaration.

1.04 MEETINGS.

- A. Quorum. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum.
- B. Action. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.
- C. Annual Meeting. There shall be an annual meeting of the members during the first or second week in July at a time set forth in the notice and in each succeeding year at such reasonable place, or other time (not more than thirty (30) days before or after such date) and place, as may be designed by written notice of the Board delivered to the voting members not less than ten (10) days prior to the date fixed for said meeting

- D. **Special Meeting.** Special meetings of the voting members may be called at any time for the purpose of considering matters which by the terms of the Declaration or the Bylaws of the Association, require the approval of all or some of the voting members, or for any other reasonable purpose. Said meeting shall be called by written notice, authorized by a majority of the Board, or by the voting members having one-third (1/3) of the total votes, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

1.05 **NOTICES OF MEETINGS.** Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the unit of the owner with respect to which such voting right appertains, if no address has been given to the Board.

1.06 **BOARD OF DIRECTORS.**

- A. **Election.** Until two-thirds (2/3) of the units have been sold to third-party purchasers, the Declarant retains the right to name all Directors of the Association. Thereafter, the voting members shall, by a majority of the total votes present at such meeting, elect a Board of Directors for the forthcoming year, consisting of not less than nine (9) owners.
- B. **Quorum, Term And Compensation.** A quorum shall consist of two-thirds (2/3) of the members of the Board. Members of the Board shall serve for a term of one (1) year or until their successors are elected and shall be paid such compensation as may be voted by the members of the Association.
- C. **Vacancies And Order.** Vacancies in the Board may be filled by unanimous vote of the remaining members thereof. Except as otherwise provided, the Board shall act by majority vote of those present at its meetings when a quorum exists.
- D. **Call.** Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.
- E. **First Board.** Until two-thirds (2/3) of the units have been sold to third-party purchasers or the Declarant shall relinquish control, the Board of Directors shall be selected by the Declarant and members so selected need not be

unit owners or residents of the real property. Said Directors shall serve until two-thirds (2/3) of the units have been sold to thirty-party purchasers or the Declarant shall relinquish control; provided, however, Declarant may, in its sole discretion, remove any Director so appointed by it and replace such Director with another appointee.

- F. **Officers And Duties.** The Board shall elect from among its members a President who shall preside over both its meetings and those of the voting members, and shall also elect a Secretary and Treasurer, either of whom may or may not be a member of the Board or qualified to be a member. The Secretary shall keep the Association records, including the minute book wherein the resolutions shall be recorded. The Treasurer shall keep the financial records.
- G. **Fidelity Bonds.** The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.
- H. **Removal Of Board Members.** Any Board member may be removed from office by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for that purpose; and a successor to fill the unexpired term of the Board member removed may be elected by majority vote of the voting members at the same meeting or any subsequent meeting called for that purpose.
- I. **Board Liability.** The Directors from time to time constituting the Board shall not be liable to the members for any mistake of judgment or for any acts made in good faith, or omissions to act omitted in good faith as such Directors.
- J. **Action Taken Without A Meeting.** The Board members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Board members. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Rachel Faye Condominiums Owners Association
Bylaws
Page Four

ARTICLE II
GENERAL POWERS

2.01 GENERAL POWERS OF ASSOCIATION. The Association for the benefit of all the owners, through its Board of Directors, shall have the power to acquire, and shall pay for out of the maintenance fund hereinafter provided, the following:

- A. Maintenance. Waste removal, yard maintenance, water, electricity, gas, and other necessary utility serves for the common elements.
- B. General Liability And Property Damage Insurance. Comprehensive general liability and property damage insurance shall be purchased by the Board as promptly as possible following its election, and shall be maintained in force at all times, the premiums thereto to be paid by assessments of monthly condominium Association fees. Prior to the organizational meeting, such insurance shall be procured by Declarant. The insurance shall be carried with reputable companies authorized to do business in the State and in such amounts as the Board may determine. The policy or policies shall name as insured the owners and the Association. Declarant shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all of the condominiums in the project. The policy or policies shall insure against loss arising from perils in both the common areas and the units and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Association and/or the Board.
- C. Fire And Casualty. Fire and other hazard insurance shall be purchased by the Board as promptly as possible following its election and shall thereafter be maintained in force at all times, the premiums thereto to be paid out of the monthly condominium Association fees. Policies shall provide for the issuance of certificates or such endorsement evidencing the insurance as may be required by the respective mortgagees. The policy, and certificates so issued, will bear a mortgage clause naming the mortgagees interested in said real property. The policy or policies shall insure against loss from perils therein covered to all of the improvements in the project, except as may be separately insured. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated

amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the owners, the Association and Declarant, so long as Declarant is the owner of any of the units in the project. The Declarant shall notify the insurance carrier of any change in ownership of a unit until such time as the Declarant shall no longer own ten percent (10%) or more of the units, at which time it shall be the responsibility of the Association to notify the insurance carrier of a change in the ownership of any unit. The policy or policies shall also cover personal property owned in common, and shall further contain waiver of subrogation rights by the carrier as to negligent owners.

- D. **Fire and Casualty On Individual Units.** Fire and other hazard insurance shall be purchased by the unit owner contemporaneously with the transfer of title to the unit owner and shall thereafter be maintained in force at all times, the premiums to be paid by the unit owner. All real property interests of the owner in the unit including, but not limited to, exterior walls and roof, and mechanical equipment located within a unit such as plumbing fixtures, electrical lighting fixtures, kitchen and bathroom cabinets and counter tops, furnace, air conditioning and water heater, together with additions thereto and replacements thereof, as well as the personal property of the unit owner, shall be separately insured by such owner, such insurance to be limited to the type and nature of coverage often referred to as "Condominium Unit Owners Insurance".
- E. **Additional Coverage.** The Board may purchase and maintain in force at the expense of the common maintenance fund, debris removal insurance, fidelity bonds, and other insurance and/or bonds that it deems necessary. The Board shall also maintain "all risk" insurance coverage on the project to insure against water damage and like kind of casualties, if such insurance would be reasonably available.
- F. **Insurance - Compensation.** Workmen's compensation insurance to the extent necessary to comply with any applicable laws.
- G. **Service Of Employees.** The services of any person or firm employed by the Association.

- H. **Buildings And Grounds.** Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the common elements and such furnishings and equipment for the common elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the common elements
- I. **Miscellaneous.** Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Association is required to secure or pay for pursuant to the terms of these restrictions or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the real property as a first class residential area or for the enforcement of these restrictions and the restrictions in the Declaration.
- J. **Satisfaction Of Liens.** Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire real property or any part thereof which may in the opinion of the Association constitute a lien against the real property or against the common elements, rather than merely against the interests therein of particular owners may be satisfied by the Association. Where one or more owners are responsible for the existence of such lien, they shall be liable for the cost of discharging it and any costs incurred whatsoever by the Association by reason of said lien or liens shall be allocated fairly among such owners upon the sole judgment of the Board of Directors and shall be specially assessed to such owners.
- K. **Expenses Due To Owner's Neglect.** Maintenance and repair of any unit, if such maintenance or repair is necessary in the discretion of the Association to protect the common elements or any other portion of the complex, and the owner or owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said owner or owners, provided that the Association shall levy a special assessment against such unit owner for the cost of said maintenance or repair.

2.02 **ENTRY WITHIN UNITS.** The Association or its agents may enter any unit when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

2.03 **CAPITAL ADDITIONS OR IMPROVEMENTS LIMITED.** The Association shall have no authority to acquire and pay for out of the maintenance fund any capital addition or improvement (other than for purposes of replacing or restoring portions of the common elements and the units, subject to all the provisions of the Declaration) having a total cost in excess of Three Thousand Dollars (\$3,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of the common elements requiring an expenditure in excess of Three Thousand Dollars (\$3,000.00), not covered by insurance, without in each case obtaining the prior approval of the voting members holding seventy percent (70%) of the total votes.

2.04 **ADOPTION OF RULES AND REGULATIONS.** The Association, by vote of the voting members having a majority of the total votes, may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the real property, for the health, comfort, safety and general welfare of the owners and occupants of said real property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire real property shall at all times be maintained subject to such rules and regulations.

2.05 **LIMITATIONS ON POWERS OF THE ASSOCIATION.** Nothing hereinabove contained shall be construed to give the Association authority to conduct any business for profit on behalf of all the owners or any of them, nor shall the Association have any power to enter in any dispute between a unit owner or owners and the Declarant.

ARTICLE III
ASSESSMENTS - ESTIMATED CASH REQUIREMENT

3.01 **ASSESSMENTS.**

- A. **Proration Of Common Elements.** So long as the Declarant shall own one or more units, the cost of maintaining the common elements shall be equitably prorated between the owners of completed units. Units which are completed but still owned by the Declarant shall bear the pro rata share of such costs and the Board of Directors, whether or not selected by the Declarant, shall prorate such charges.
- B. **Proportionate Share By Unit Buyer.** Each unit buyer shall be liable for a proportionate share of the cost of maintaining the common elements from the date of the conveyance of a unit to him which shall be payable monthly. Such cost shall be a proportionate share of the actual costs as determined by the Board of the Association and shall continue until a permanent budget is arranged as hereinafter provided.

- C. **First Mortgage Excluded.** The provisions of this Article III relating to assessments, payment of assessments and liens arising therefrom shall be inapplicable as to any party who or which by reason of foreclosure of a first mortgage or voluntary conveyance in lieu of foreclosure of a first mortgage shall become a unit owner

3.02 **FIRST ANNUAL MEETING.** After the holding of the first annual meeting as provided for in Section 1.04 of Article I of these Bylaws, the following procedures shall govern:

- A. **Annual Budget.** Each year on or before December 1st, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and capital replacements, and shall on or before December 15th notify each owner in writing as to the amount of such estimate, within reasonable itemization thereof. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each owner shall be obligated to pay to the Association or as it may direct its proportionate share based upon ownership interest of the assessment made pursuant to this Section. The portion of each such monthly assessment payment attributable to reserves shall be deemed a contribution by the owner to the capital of the Association. A reasonable late charge (not exceeding \$1.00 per day) may be added to such assessments by action of the Board after the fifth (5th) day of each month in which said assessment is due. On or before January 31st of each calendar year, the Association shall supply to all owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required or actual expenses and reserves shall be credited to the next monthly installments due from each unit owner under the current year's estimate in proportion to his assessment for the preceding year, until exhausted, and any net shortage shall be added in like proportion to the installments due from each unit owner in the succeeding six months after rendering of the accounting.
- B. **Reserve Funds.** The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary

during the year, shall be charged first against such reserve. If said "estimate cash requirement" proves inadequate for any reason, including non-payment of any owner's assessment, the Association may at any time levy a further assessment, which shall be assessed to the owners according to the formula set forth in the preceding Subparagraph A of Section 3.02 of this Article III. The owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All owners shall be obligated to pay the adjusted monthly assessment. The reserve fund shall be the property of the Association and no part thereof shall be refunded to any member.

- C. **Revised Yearly Assessments.** When the first Board takes office hereunder, the Association shall determine the "estimate cash requirement", as hereinabove defined, for the period commencing thirty (30) days thereafter and ending on December 31 of the same calendar year. Assessments shall be levied against the owners during said period as provided in Subparagraph A of Section 3.02 of this Article III.
- D. **Delays In Establishing Revised Assessments.** The failure or delay of the Board or the Association to prepare or serve the annual or adjusted estimate on the owner shall not constitute a waiver or release in any manner of such owner's obligation to pay the assessment as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the owner shall continue to pay the assessment at the then existing monthly rate established for the previous period until the assessment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered
- E. **Accounting.** The Association shall keep full and correct books of account and the same shall be open for inspection by any owner or any representative of an owner duly authorized in writing at such reasonable time or times during normal business hours as may be requested by the owner.
- F. **Funds Collected.** All funds collected hereunder shall be held and expended by the Association for the purposes designated herein.

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- G. **Owner In Default.** If an owner is in default in the payment of any assessment for thirty (30) days, the Association may at its option accelerate all monthly payments for the balance of the budget period and may bring suit for and on behalf of itself and as representative of all owners, to enforce collection therefor or to foreclose the lien therefore as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest at the rate provided by law on open accounts and any delinquent and unpaid charges or assessments, interest, costs and fees as above provided shall be and become a lien or charge against the unit ownership of the owner involved when payable and may be foreclosed as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force from and after the time of filing a notice of such lien of record in the office of the Recorder of Dickinson County, Iowa, and note before, as to all creditors and subsequent purchasers without actual notice. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common elements or abandonment of any unit. Amendments to this Subparagraph G of Section 3.02 of this Article III shall only be effective upon written consent of members having seventy percent (70%) of the votes and their mortgages.
- H. **Same - Notice To First Mortgage.** If an owner is in default in the payment of any assessment for thirty (30) days, the Association shall thereupon post written notice of such default to the first mortgagee, if any, of such defaulting owner.

ARTICLE IV AMENDMENTS AND MISCELLANEOUS

4.01 **Amendments to Bylaws.** Except as otherwise provided herein, any of these Bylaws except Section 1.03 of Article I hereof may be amended only upon the affirmative vote of two-thirds (2/3) of the members entitled to vote at any regular or special meeting of the members, provided that notice of the proposed amendment is given to all members in writing at least ten (10) days prior to such meeting. Section 1.03 of Article I hereof may not be amended except by unanimous consent of all unit owners.

4.02 **Terms.** All terms used in these Bylaws shall have the same meaning as those defined in the Declaration.

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Signed this 18 day of January, 2008.

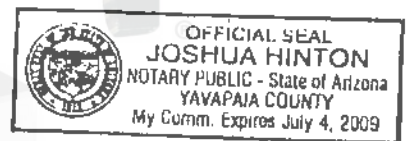
RACHEL FAYE FAMILY, L.L.P.,
Declarant

By: Kenneth J. Ferguson
Kenneth J. Ferguson, A General Partner

STATE OF ARIZONA, COUNTY OF Yavapai, ss:

On this 18th day of January, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared KENNETH J. FERGUSON, to me personally known, who being by me duly sworn, did say that he is a General Partner of the partnership executing the within and foregoing instrument; that no seal has been procured by the said partnership that said instrument was signed on behalf of said partnership by authority of its Partners; and that the said KENNETH J. FERGUSON, as a General Partner, acknowledged the execution of said instrument to be the voluntary act and deed of said partnership, by it and by him voluntarily executed.

[Signature]
Notary Public



ARTICLE IX
MAINTENANCE, ALTERATION AND IMPROVEMENT

1. **Definitions.** Certain terms used in this Article shall have a meaning as follows, provided any dispute over the characterization of work within one of the following meanings shall be conclusively decided by the Board of Directors of the Association.

- A. "Maintenance" or "repair" shall mean the act of maintaining, restoration, renovation, reconstruction, replacement, rebuilding and similar work necessary to preserve a unit or the property in its original condition as completed.
- B. "Improvement" shall mean the addition of a new structure, element or facility, other than a structure, element or facility otherwise provided for by this Declaration or any Supplementary Declaration.

2. **Maintenance By Association.**

- A. The Association shall have all powers and authority granted to it by Chapter 499B, Code of Iowa, including, but not limited to, the responsibility for the care, maintenance, repair, replacement and restoration of the general common elements and facilities and the making of assessments chargeable to owners except where maintenance has specifically been made the responsibility of a unit.
- B. The Association shall repair incidental damage caused to a unit through maintenance by the Association and shall assess the cost thereof as a common expense.
- C. If a unit owner defaults on his responsibilities of maintenance, the Association shall assume such responsibilities and shall assess the costs thereof against the unit of such owner and such assessment shall be collectible as if it were an assessment for common expenses.
- D. The Association may, in its discretion, assume responsibility for any maintenance project which requires re-construction, repair, re-building, conservation, restoration or similar work to more than one unit and the costs thereof may be, in the discretion of the Association, either assessed against each unit on which such costs were incurred or assessed against all units as a common expense according to the circumstances.

3. **Maintenance Of Owner.**

- A. Each unit owner, at his own expense, shall maintain the exterior walls and roof, and the interior boundary surfaces of such unit and its equipment; shall keep the interior in a clean and sanitary condition; shall do all redecorating, painting and other finishing which may at any time be necessary to maintain the unit; and shall be responsible for the maintenance and replacement of all personalty including carpets, other floor coverings, furnishings, and appliances within such unit.

- B. The owner of each unit shall be responsible for maintaining and replacing the plumbing fixtures within the unit and the furnace and air conditioning unit serving such unit together with heating ducts and all other utilities including electrical and electrical fixtures or portions thereof located within the boundaries of the unit. The owner shall also keep in a clean and sanitary condition the unit and any patio or courtyard which is for the exclusive use of the unit.

4. **Alterations Or Improvements By Owner.** No unit owner shall make or permit to be made any structural alteration to the unit without first obtaining written consent of the Board of Directors of the Association. Alterations to the exterior of any unit shall not be made if, in the opinion of the Board of Directors of the Association, such alteration would be detrimental to the integrity or appearance of the regime as a whole. Unit owners shall do no act or work which will impair the structural soundness or integrity of his unit. The improvement or alteration of a unit shall cause no increase or decrease in the number of ownership interests appurtenant to such unit.

5. **Alterations Or Improvements By The Association.** Whenever in the judgment of the Board of Directors of the Association, the general common elements shall require additions, alterations, or improvements costing in excess of Three Thousand Dollars (\$3,000.00) and the making of such additions, alterations or improvements shall have been approved by a majority of the unit owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all unit owners for the costs thereof as a common charge. Any additions, alterations or improvements costing Three Thousand Dollars (\$3,000.00) or less may be made by the Board of Directors without approval of unit owners, and the costs thereof shall constitute part of the common expenses.

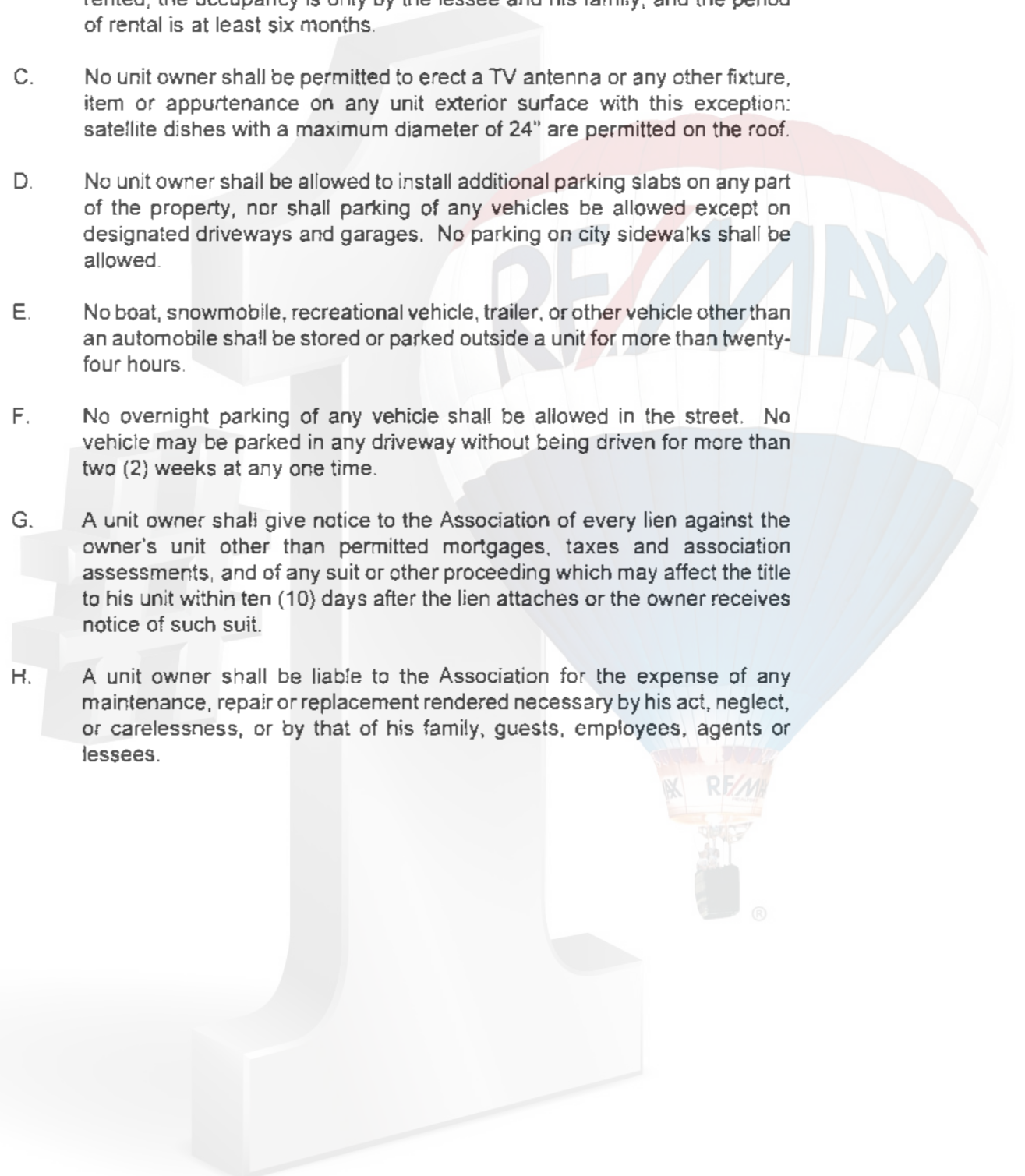
ARTICLE X

CONDITIONS OF AND RESTRICTIONS ON OWNERSHIP, USE AND ENJOYMENT

1. **Property Subject To Certain Provisions.** The ownership, use, occupation, and enjoyment of each unit and of the general common elements of the regime shall be subject to the provisions of this Declaration, the Bylaws, and related documents of the Association, all of which provisions irrespective of where set forth or classified shall have equal status and shall be enforceable and binding as a covenant, condition, restriction, or requirement running with the land and shall be binding on and enforceable against each and all lessees, tenants, occupants and successors in interest. The Association shall have the authority to adopt rules and regulations governing the use of the property, including individual units, and such rules will be observed and obeyed by the owners, their guests, and lessees.

2. **Use Of Property.** The use of the property shall be in accordance with and subject to the following provisions:

- A. A unit shall be used or occupied for single-family dwelling purposes only, unless the unit is identified as a storage unit. A storage unit shall be used for storage purposes only (e.g. an automobile, snowmobile, tools, and other items of tangible property); a storage unit may not be used for any commercial or rental purposes.

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- B. A unit may be rented or leased by the owner provided the entire unit is rented, the occupancy is only by the lessee and his family, and the period of rental is at least six months.
- C. No unit owner shall be permitted to erect a TV antenna or any other fixture, item or appurtenance on any unit exterior surface with this exception: satellite dishes with a maximum diameter of 24" are permitted on the roof.
- D. No unit owner shall be allowed to install additional parking slabs on any part of the property, nor shall parking of any vehicles be allowed except on designated driveways and garages. No parking on city sidewalks shall be allowed.
- E. No boat, snowmobile, recreational vehicle, trailer, or other vehicle other than an automobile shall be stored or parked outside a unit for more than twenty-four hours.
- F. No overnight parking of any vehicle shall be allowed in the street. No vehicle may be parked in any driveway without being driven for more than two (2) weeks at any one time.
- G. A unit owner shall give notice to the Association of every lien against the owner's unit other than permitted mortgages, taxes and association assessments, and of any suit or other proceeding which may affect the title to his unit within ten (10) days after the lien attaches or the owner receives notice of such suit.
- H. A unit owner shall be liable to the Association for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect, or carelessness, or by that of his family, guests, employees, agents or lessees.