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EXHIBIT D

ARTICLES OF INCORPORATION  
OF  
VILLAS OF WEST OKOBOJI MEADOWS OWNERS ASSOCIATION, INC.

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

ARTICLE I

The Corporation shall be known as the VILLAS OF WEST OKOBOJI MEADOWS OWNERS ASSOCIATION, INC. and its principal offices shall be located in West Okoboji, Dickinson County, Iowa.

ARTICLE II

The existence of this Corporation shall commence with the date these Articles are filed with the Secretary of State, and the period of its duration is perpetual.

ARTICLE III

A. The purpose and objective of the Corporation is to provide an entity to act as a "Condominium Management Association" within the meaning of Section 528 of the Internal Revenue Code of 1954 to conduct the business and affairs of, and to act as or for, the co-owners of that horizontal property regime (condominium) created and submitted, pursuant to the provisions of Chapter 499B of the Code of Iowa, known as the Villas of West Okoboji Meadows Condominiums, (hereinafter sometimes referred to as "regime") and to be located on the real estate situated in Dickinson County, Iowa described as follows (the Land):

Lots 21, 22, 23, 24 and 25 in West Okoboji Meadows, an Official Plat, now included in and forming a part of the City of West Okoboji, Dickinson County, Iowa

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

C. 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

D. The Corporation shall have unlimited power to engage in and do any lawful act concerning any and all lawful businesses for which corporations may be organized under this Act and consistent with the provisions herein.

#### ARTICLE IV

The address of the initial registered office of the Corporation is 3424 E.P. True Parkway, Suite 200, West Des Moines, Iowa 50265, and the name of its initial registered agent at such address is John C. Kline.

#### ARTICLE V

The members of this Corporation shall be those persons described as members in the Bylaws of the Corporation. The voting rights of the members shall be as provided in the Declaration of Condominium and the Bylaws of the Corporation.

#### ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is one (1). The names and addresses of the persons who are to serve as the initial directors are:

<u>NAME</u>	<u>ADDRESS</u>
John C. Kline	3424 E.P. True Parkway, Suite 200 West Des Moines, Iowa 50265

The terms of office of the initial Board of Directors shall be until successor Directors shall have been elected and shall have qualified. Until the terms of the initial Board of Directors expire, they shall be subject to removal only by John C. Kline as provided in the Declaration and Bylaws. Thereafter, a Director may be removed from office at a special meeting of the members of the Corporation in such manner as may be provided in the Bylaws. Persons other than members of the Corporation may be members of the Board of Directors.

#### ARTICLE VII

The initial Bylaws of the Corporation and amendments thereto 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, subject to the restrictions contained in the initial Bylaws and amendments thereto and the restrictions contained in the Declaration.

#### ARTICLE VIII

In the event of liquidation, assets of the Corporation, if any remain, shall be distributed to the members in accordance with their proportionate share (if undivided interests in the common elements existing in the condominium regime, as determined by the Declaration and the Bylaws.

## ARTICLE VIII

In the event of liquidation, assets of the Corporation, if any remain, shall be distributed to the members in accordance with their proportionate share (if undivided interests in the common elements existing in the condominium regime, as determined by the Declaration and the Bylaws.

## ARTICLE IX

All transfers, conveyances, leases, mortgages or assignments of real estate or of any interest therein shall be executed by any two of the following officers: President or Vice President and Secretary or Treasurer. All transfers, conveyances, leases or encumbrances of personal property or any interest therein shall be executed by any officer of the Corporation or any agent authorized by the Board or Directors. All judgments or other liens shall be satisfied, discharged, released or assigned by any officer of the Corporation.

## ARTICLE X

Neither the members, the Board of Directors, nor their private property shall be liable for corporate debts, obligations or undertakings.

## ARTICLE XI

This Corporation shall indemnify any present or former director, officer, employee, member or volunteer of this Corporation, and each; such person who is serving or who has served, at the request of this Corporation, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or: employee benefit plan to the fullest extent possible against expenses, including attorneys' fees, judgments, fines, settlements and reasonable expenses, actually incurred by such person relating to his conduct as a director, officer, employee, member or volunteer of this Corporation or as director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply (i) to a breach of the duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for a transaction from which such person derived an improper personal benefit.

## ARTICLE XII

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.

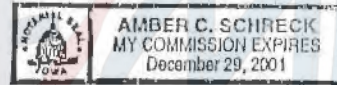
## ARTICLE XIII

The name and address of the incorporator is John C. Kline, 3424 E.P. True Parkway, Suite 200, West Des Moines, IA 50265.

STATE OF IOWA        )  
                                  ) SS:  
COUNTY OF POLK     )

On this 29<sup>th</sup> day of June, 2000, before me, a Notary Public in and for the State of Iowa, personally appeared John C. Kline, to me known to be the person named in and who executed the foregoing Articles of Incorporation and acknowledged that he executed the same as his voluntary act and deed.

Amber C. Schreck  
Notary Public in and for the State of Iowa



CONSENT OF MORTGAGEE  
TO  
SUBMISSION OF PROPERTY  
TO  
CONDOMINIUM REGIME

The undersigned, Liberty Bank, is the holder of a mortgage against the real estate submitted to the Villas of West Okoboji Meadows Condominium Regime by the Declaration of Submission of Property to Horizontal Property Regime for the Villas of West Okoboji Meadows Condominiums to which this Consent is attached. Such mortgage is recorded in Book \_\_\_\_, Page \_\_\_\_\_, of the Dickinson County, Iowa records. By its execution of this Consent, the undersigned hereby consents to the submission of the property covered by such mortgage to the Villas of West Okoboji Meadows Condominium Regime, and agrees that from the time of the filing of said Declaration in the Office of the Dickinson County, Iowa recorder, the lien of such mortgage shall become a lien on the individual units and their undivided percentage interest in the common elements of the Condominium Regime, and such mortgage shall be partially released as to each such unit and its undivided percentage interest in the Condominium Regime upon payment to the undersigned of an amount to be agreed to as to each such unit between the Developer and the undersigned prior to the sale of each unit to a third party.

Dated this 29 day of June, 2000.

LIBERTY BANK

By: 

Title

**BUILDING DESIGNER'S CERTIFICATION**

STATE OF IOWA            )  
  )ss:  
COUNTY OF POLK        )

I, Al Meek, of Bloodgood Plan Service, being duly sworn upon oath, depose and state that I am a duly certified building planner in the State of Iowa.

I further state that the attached Exhibit B is an exact copy of the building plans for the Buildings and Units in the Villas of West Okoboji Meadows Condominiums as prepared by me.

BLOODGOOD PLAN SERVICE

By: Al Meek  
Al Meek

Subscribed and sworn to before me by the said Al Meek on this 29 day of JUNE, 2000.

 PHYLIS J. KLINE  
MY COMMISSION EXPIRES  
6-17-03

Phyllis J. Kline  
Notary Public in and for the State of Iowa

SURVEYOR'S CERTIFICATION

STATE OF IOWA )  
 )ss:  
COUNTY OF POLK )

I, James R. Blum, L.S. of Jacobson-Westergard & Associates, Inc., being duly sworn upon oath, depose and state that I am a duly licensed and registered Land Surveyor in the State of Iowa.

I further state that the attached Exhibit A has been prepared by me and under my direct supervision and represents the Site Plan for the land and buildings to be included in the VILLAS OF WEST OKOBOJI CONDOMINIUMS, in West Okoboji, Iowa.

*James R. Blum*  
James R. Blum, L.S. # 9179



Subscribed and sworn to before me by the said James R. Blum, L.S. on the 3<sup>rd</sup> day of July, 2000.

*Lori L. Smith*  
Notary Public in and for the State of Iowa





SURVEYOR'S CERTIFICATION

STATE OF IOWA )  
 )ss:  
COUNTY OF POLK )

I, James R. Blum, L.S. of Jacobson-Westergard & Associates, Inc., being duly sworn upon oath, depose and state that I am a duly licensed and registered Land Surveyor in the State of Iowa.

I further state that the attached Exhibit A has been prepared by me and under my direct supervision and represents the Site Plan for the land and buildings to be included in the VILLAS OF WEST OKOBOJI CONDOMINIUMS, in West Okoboji, Iowa.



*James R. Blum*  
James R. Blum, L.S. # 9179

Subscribed and sworn to before me by the said James R. Blum, L.S. on the 3<sup>rd</sup> day of July, 2000.

*Lori L. Smith*  
Notary Public in and for the State of Iowa



EXHIBIT E  
BYLAWS  
OF  
VILLAS OF WEST OKOBOJI MEADOWS OWNERS ASSOCIATION, INC.

These are the Bylaws of Villas of West Okoboji Owners Association, Inc. (hereinafter referred to as "Association"), a corporation organized pursuant to Chapter 504A of the Code of Iowa for the purpose of administering the Villas of West Okoboji Condominiums, a horizontal property regime (condominium) established under Chapter 499B of the Code of Iowa (hereinafter sometimes referred to as "Regime") located upon the following described real property in the City of West Okoboji, County of Dickinson, Iowa (the Land):

Lots 21, 22, 23, 24 and 25 in West Okoboji Meadows, an Official Plat, now included in and forming a part of the City of West Okoboji, Dickinson County, Iowa

I.

MEMBERS AND VOTING RIGHTS

1. The owners shall constitute the member(s) of the corporation and a membership shall automatically cease upon termination of all interests which constitute a person an owner. The Oaks Development Company, an Iowa general partnership, or its successors or assigns, as Developer, shall be and have the right of members with respect to unsold units.

2. An owner of record shall be recognized as a member without further action for so long as he holds an ownership interest. If ownership is acquired but not of record, or if acquired other than by way of conveyance or other formal instrument of transfer (such as by death, judicial act or dissolution), the person acquiring or succeeding to ownership shall present to the Association evidence satisfactory to it of facts evidencing lawful ownership status prior to exercise of any rights as a member of the Association. (Failure to provide such evidence shall not, however, relieve any owner of his membership obligations). A fiduciary or other official acting in a representative capacity shall exercise all membership rights and privileges of the owner which he represents.

3. If more than one person is an owner of the same unit, all such owners shall be members and remain jointly and severally liable for all membership obligations. In such cases, or if more than one fiduciary or other official is acting in the premises, the votes entitled to be cast by the owner of that unit shall be cast by the person named for that purpose on a certificate signed by all such owners or fiduciaries or other officials and filed with the Association and such person shall be deemed to hold ownership units appurtenant to such unit for purposes of voting and determining the representation of such ownership unit at any meeting or for purposes otherwise provided herein. If such certificate is not executed and filed with the Association, such

membership shall not be in good standing and the votes appurtenant to that unit shall not be considered in determining a quorum or any vote or for any other purpose until this By-law is complied with. Such certificate shall continue in force until revoked in writing and filed with the Association Secretary.

4. The owners of each unit shall be entitled to as many votes on all matters to be determined by the members of the Association as contemplated by Chapter 499B, Code of Iowa and as there are ownership units appurtenant to that unit and determined by the Declaration, including any supplements or amendments thereto, submitting the property to the Regime. All votes appurtenant to a unit shall be cast as a block and may not be divided.

## II.

### MEMBERS' MEETINGS

1. The annual and any special meeting shall be held at a time and at a place within Dickinson County, Iowa, chosen by the Board of Directors, and all such meetings, annual or special, shall be held at such particular time and place as is set forth in the Notice thereof.

2. A special meeting shall be held whenever called by the President, or, in his absence or disability, the Vice President, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast 33 1/3% of the votes of the entire membership.

3. The Secretary or his designate shall give written notice to each member of the annual meeting. The person or persons calling a special meeting pursuant to paragraph 2 shall give like written notice of such special meeting. All notices shall set forth the time and place and purpose or purposes for which the meeting will be held. No action shall be taken at a special meeting which such meeting is held.

4. Notice of a members' meeting shall be given by mailing or delivering the same not less than ten (10), nor more than thirty (30), days prior to the date of the meeting. Notice shall be deemed duly given if mailed by first class mail to the member at the address of his unit within the Regime, unless at the time of giving such notice he has given written direction, delivered to an officer or member of the Board of Directors, specifying a different mailing address to be carried on the rolls of the Association. If more than one person is an owner of the same unit or if more than one fiduciary or other official is acting in the premises, notice shall be deemed given when given in accordance with this paragraph to the person named in the certificate filed with the Association in accordance with paragraph 3 of Article I. Notice of any meeting may be waived in writing by the person entitled thereto. Notice given pursuant hereto shall be sufficient if given to all such owners of record with the Association Secretary as of the date of mailing.

5. A quorum at a members' meeting shall consist of the presence of members or other persons in person or by proxy, holding a majority of the ownership units outstanding. The acts carried or approved by a vote of a majority of the ownership units represented at a meeting at which a quorum is present shall constitute the acts of the members unless a different rule is

#### IV.

#### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes, the Articles of Incorporation, and the documents establishing the Regime. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declaration of Condominium which governs the use of the land, and shall include in addition to those elsewhere provided for but shall not be limited to the following:

1. To make and collect assessments against members for all common expenses.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. The maintenance, repair, replacement, and operation of the Regime property, including all common areas, elements, and facilities, and units as applicable, and making or providing for payment for all such work and approving or delegating to the officers authority to approve vouchers therefor.
4. The reconstruction, repair, restoration, or rebuilding of the Regime property and of any unit as applicable after casualty; the construction of new improvements or alterations if authorized; to make and amend regulations respecting the use and occupancy of the property in the Regime and to permit or forbid an action or conduct within the discretion committed to them in the Declaration, Bylaws, and Resolutions of the members.
5. To enforce by legal means the provisions of the Horizontal Property Act, the Articles of Incorporation, the Bylaws of the Association, the Declaration, and the regulations for the use of the property in the Regime; and to take legal action in the name of the Association and on behalf of its members.
6. To contract for management of the Regime and to delegate to such contractor any or all powers and duties of the Association except such as are specifically required by the Declaration, Bylaws, or Resolution of the members to have approval of the Board of Directors or the membership of the Association.
7. To employ, designate, and remove personnel to perform the services required for proper operation of the Regime.
8. To carry insurance upon the property subject to the Regime and insurance for the protection of unit owners, occupants, and the Association.
9. To pay the cost of all power, water, sewer, and other utility or other services rendered to the Regime and not billed directly to owners of the individual units.
10. To conduct all votes or determinations by members other than at a membership meeting.

11. To borrow money from any bank, lending institution or agency for the use and benefit of the Association, and to secure the loan or loans by pledge of the assets of the Association, and from time to time to renew such loan and give additional security.

12. To do such other acts as are necessary and proper to effect the purpose of the Regime as stated in the Declaration and Bylaws provided such acts are not otherwise prohibited.

## V.

### OFFICERS

1. The officers of the Association shall be the President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and may be pre-emptorily removed and replaced by vote of the Directors at any meeting. The initial officers and their successors until the first annual meeting shall be chosen by the initial Board of Directors and shall serve until the first annual membership meeting. The Board of Directors may from time to time create and fill other offices and designate the powers and duties thereof. Each officer shall have the powers and duties usually vested in such office, and such authority as is committed to the office by the Bylaws or by specific grant from the Board, but subject at all times to the provisions of the Bylaws and to the control of the Board of Directors.

2. The President shall be the chief executive officer of the Association. He shall preside at all membership meetings and meetings of the Board of Directors and shall have power to appoint committees from among the members to assist in the conduct of the affairs of the Association and Regime.

3. The Vice President shall preside over membership meetings in the absence or disability of the President, and shall otherwise exercise the powers and duties of the President in the event of the absence or disability of the President, and shall generally assist the President and exercise such other powers and duties as are prescribed by the Directors.

4. The Secretary shall keep the minutes of all proceedings of membership and meetings and Directors' meetings and shall have custody and control of the minute book of the Association, and shall keep or be in charge and control of the records of the Association except those of the Treasurer.

5. The Treasurer shall have control of the funds and other property of the Association and shall keep the financial books and records thereof.

6. The compensation of all officers and employees shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee, nor the contracting with a Director for the management of the Regime.

7. Any instrument affecting an interest in real estate shall be executed pursuant to the terms of Article IX of the Articles of Incorporation.

3. Each Director shall be elected by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast at the annual meeting of the members of the Association. Each person entitled to vote shall be entitled to vote for as many nominees as there are vacancies to be filled by election and each member shall be elected by separate ballot (unless provided otherwise by unanimous consent of the members).

4. Except as provided in Paragraph 5 of this Article, vacancies in the Board of Directors may be filled until the date of the next annual meeting by a vote of a majority of the Directors remaining in office regardless of whether those remaining constitute a quorum.

5. The initial Directors shall be subject to removal only by the developer. Thereafter a Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting called for that purpose. The vacancy in the Board of Directors so created shall be filled by the persons entitled to vote at the same meeting.

6. The initial Directors, and officers selected by the initial Directors, shall serve without compensation; thereafter, Directors shall receive such compensation and expenses as is approved by the persons entitled to vote at any annual or special meeting.

7. An organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected. No further notice of the organization meeting shall be necessary.

8. A majority of the Board may, by resolution, set the time and place for regular meetings of the Board and no notice thereof shall be required until such resolution is modified or rescinded. Special meeting of the Directors may be called by the President, Vice President, or any two Directors provided not less than two days' notice shall be given, personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

9. A quorum, at a Directors' meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting duly called at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by Declaration or these Bylaws.

10. The presiding officer of a Directors' meeting shall be the President or in his absence, the Vice President. In the absence of the President and Vice President, the Directors present shall designate one of their number to preside.

11. The Board of Directors, by resolution approved by all members thereof, may designate from among its members such committees as it deems advisable and by resolution provide the extent and manner to which the same may have and exercise the authority of the Board.

provided herein or by the Articles of Incorporation, the Declaration, or other agreement to which the Association is a party. The President, or, in his absence or disability, the Vice President shall preside at each members' meeting; if neither the President or the Vice President is available to preside, a chairman shall be elected by the members present at such meeting. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements herein and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided such subsequent meeting shall be held sixty (60) days following such preceding meeting.

6. At any membership meeting, the presence of a person holding ownership units and the exercise of the voting rights of an owner or person entitled to cast votes, by proxy shall be permitted and recognized provided such proxy must be in writing and signed by the person holding ownership units or entitled to cast votes and shall set forth the unit with respect to which such rights are appurtenant, the number of ownership units appurtenant thereto and the period for which the proxy is to be in force and effect. The decision of the Board of Directors as to the sufficiency of any proxy for recognition shall be final and not subject to appeal to the members.

7. At all meetings the order of business shall consist of the following:

- (a) Election of chairman, if required.
- (b) Calling roll and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of unapproved minutes.
- (e) Reports of officers, if applicable.
- (f) Reports of committees, if applicable.
- (g) Election of Directors, if applicable.
- (h) Unfinished business.
- (i) New business.

### III.

#### BOARD OF DIRECTORS

1. The affairs of the Association shall be managed by a Board of three (3) directors. The initial Board shall consist of one person as the developer may appoint and need not be members of the Association. The initial Board shall serve until the first annual members' meeting which shall be held no later than the earlier of 120 days after the date by which 75% of the units have been conveyed to unit purchasers or the date 5 years after the date of the first unit is conveyed. From and after such first annual meeting of the members, the Board of Directors shall be selected from the members of the Association. An officer or designated agent of a corporate member qualifies to serve as a Director.

2. At the first annual members' meeting and each meeting thereafter, three (3) Directors shall be elected and the term of office of each Director shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner as elsewhere provided.

## VI.

### FISCAL MANAGEMENT

1. The Board of Directors shall adopt a budget for each fiscal year including the fiscal year in which the improvements on the Phase 1 Land are completed (which shall be the same as the Association's fiscal year for income tax purposes) which shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the following accounting categories according to good accounting practices:

(a) Current expenses which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for the contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement which shall include funds for repair or replacement required because of damage, destruction, depreciation or obsolescence.

(d) Reserve for insurance deductibles.

2. The Board of Directors shall assess against each unit and the owners thereof only shall be liable for, a share of the items in the budget adopted pursuant to Paragraph 1 which bears the same ratio to the total budget as the ownership units appurtenant to such unit bear to the total ownership units of all units subject to the Regime. Such share shall be assessed for the fiscal year for which the budget was prepared annually in advance and notice of such assessments shall be mailed or delivered not less than thirty (30) days prior to the first day of such fiscal year. Such assessment shall be due and payable from the respective unit owner or owners in 12 equal installments, each installment being due and payable the first day of each calendar month, which day falls within such fiscal year. In the event notice of such assessment is not timely given the amount of such assessment shall not change, but the due date for each installment which would otherwise be due and payable less than 30 days from the giving of such notice shall be due and payable on the due date of the first installment which is due not less than 30 days from the date such notice is mailed or delivered. Notwithstanding the foregoing, the assessment notices for the first fiscal year, or portion thereof remaining, in which the condominium property has been completed, shall be delivered to unit owners, including the Developer, no later than 60 days after the closing of the sale of the first unit and the assessment shall be due in monthly installments spread over the remaining months of such fiscal year beginning on the first day of the month at least 30 days after delivery of such notice. In the event the annual assessment proves to be insufficient, the budget and assessments therefor, may be amended at any time by the Board of Directors if the total amount of the budget as amended does not exceed 105% of the total amount of the budget as originally adopted for the said fiscal year. In the event the budget as amended exceeds the limitation of the previous sentence, such budget may be adopted at a special



members' meeting upon an affirmative vote of a majority of the ownership units represented at such meeting. The additional amount so budgeted shall be assessed to each unit in the same manner as assessments for the annual budget and shall be prorated along the remaining installments due and payable in such year.

3. Assessments for common expenses for emergencies and extraordinary expenditures, which cannot be paid from the annual assessments for common expenses or the maintenance reserve fund shall be made only after notice of the need thereof to the unit owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one half of the votes appurtenant to the units concerned, the assessment shall become effective, and it shall be due in such manner as the Board of Directors may require after thirty (30) days' notice thereof. In the event any expenditure for repair or replacement of any unit or common elements cannot be paid from annual assessments but can be at least 90% paid from insurance proceeds therefor, such expenditures may be made upon approval of the Board of Directors without approval of the members and an amended budget and assessment may be made therefor if necessary.

4. If an owner shall be in default in the payment of an installment upon an assessment, interest shall accrue thereon at the rate of 10% per annum from the due date, and the Board of Directors may accelerate the remaining installments, of the assessment upon notice thereof to such owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to such owner either personally or by registered or certified mail. Interest on any accelerated installments shall be at the rate of 10% per annum from the date the accelerated balance becomes due; such interest shall be in addition to any other payments for which said owner is liable. The owner shall also be liable to the Association for any costs and attorneys fees incurred by the Association to collect delinquent assessments.

5. The holder, insurer, or guarantor of a first mortgage on any unit, upon its filing written request with the Association, shall be given written notice from the Association of any default by the mortgagor in the performance of the mortgagor's obligations under these Bylaws, the Declaration of Condominium or other condominium documents which is not cured within sixty (60) days.

6. All sums assessed but unpaid including, but not limited to, interest costs and attorneys fees with respect to a unit or against a unit owner shall constitute a lien on such unit prior to all other liens except (1) tax liens on the unit in favor of any assessing unit and special district, and (2) all sums unpaid on any first mortgage recorded prior to the due date of the delinquent assessment. Such lien may be foreclosed by the Association in the manner and with the consequences provided in Section 499B.17 Code of Iowa in which event the unit owner shall be required to pay a reasonable rental for the unit. The Association may sue for money judgment for unpaid assessment and interest or sums due without foreclosing or waiving any lien which it holds.

7. If a mortgagee or purchaser of a unit obtains possession as a result of foreclosure of a first mortgage, or deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the assessments chargeable to such unit due prior to the issuance of

a sheriff's deed or the conveyance by deed in lieu of foreclosure and such unpaid assessments shall thereafter be deemed to be common expenses collectible from all unit owners including the mortgagee or purchaser, his successors and assigns, all without prejudice to the right of the Association to collect the same from the defaulting unit owner personally. The grantee or other successor interest of an individual subject to a levy of assessment on account of default shall be liable for any such special assessment.

8. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

9. An accounting of the Association's books shall be made annually and a copy of the report shall be made available for inspection by each member not later than sixty (60) days after the close of the fiscal year for which the report is made.

## VII.

### REFERENDUM

Any vote or determination required or permitted to be made by the members of the Association and not required by law or any of the condominium documents to be made at a meeting of the members may be taken or made pursuant to a referendum ballot. Such ballot may be initiated by one-third of the Board of Directors, or upon the written petition of members owning collectively 33 1/3% of the total membership and voting units. If such referendum is initiated, the Secretary shall forthwith prepare and mail to each member a ballot returnable in not less than ten nor more than thirty days from the date of mailing. If prior or subsequent to such petition, but not subsequent to such tally, a special membership meeting has been called to consider the same subject matter, the special meeting shall prevail and the referendum vote shall not be tallied.

## VIII.

### AMENDMENT

1. These Bylaws may be amended, altered, repealed or new Bylaws adopted by the members at a regular or special meeting of or upon a referendum ballot by the members upon the affirmative vote of owners of units to which at least 67% of the votes in the Association are allocated and the approval of eligible holders of first mortgages on units to which at least 51% of the votes of units subject to a mortgage appertain.

2. No amendment may be adopted at either a special or regular membership meeting or by referendum not included in the notice thereof, except if notice of the proposed amendment has been given, a different amendment relative to the same subject matter may be adopted by those present, in person or by proxy and possessing the requisite percentage of membership and lender voting units, provided further no vote by proxy may be counted unless the proxy expressly

provides for such contingency. Notice referred to herein shall be given in the manner prescribed in Article II Section 3 of these Bylaws and shall be given to the persons described in Article II Section 4 and to any eligible holder of a first mortgage of record as provided in Article VII of the Declaration, which has made written request to the Association for such notice. More than one proposed amendment may be included in the notice of a meeting.

3. To the extent provided by Section 499B.14, Code of Iowa, no modification or amendment of these Bylaws shall be effective unless set forth in an amendment to the Declaration of Condominium, executed and recorded in the manner set forth in the Declaration, and an amendment to these Bylaws shall constitute an amendment to the Declaration as provided for by law. Upon such recording such amendment shall be effective against all persons having an interest in a unit or the Regime regardless of whether such person had such interest at the time the amendment was adopted.

4. Unless required by the specific provisions of the Regime documents or by law, an amendment to the Declaration of Condominium not overlapping or affecting the subject matter of these Bylaws shall not be considered an amendment of these Bylaws.

## IX.

### MERGER OR CONSOLIDATION

The Association shall have the power to merge with or consolidate with another condominium owners' association or council of co-owners so as to provide for management of the regime in connection with another condominium regime. Merger and consolidation shall be in accordance with the procedures set forth in Chapter 504A, Code of Iowa.

## X.

### GENERAL PROVISIONS

1. The invalidity of any portion or provision of these Bylaws shall not affect the validity of the remaining provisions or portions hereof.

2. The association shall not have a corporate seal.

3. The Board of Directors may require fidelity bonds from all directors, officers, or agents handling or responsible for Association funds and the expense of such bonds shall be a common expense of the Association.

4. The Association shall at all times maintain complete and maintain accurate written records of each unit and owner and the address of each, and setting forth the status of all assessments, accounts and funds pertinent to that unit and owner. Any person may rely on a certificate made from such records by an officer or agent of the Association as to the status of all assessments and accounts.

5. Each member shall have the obligations as such member as are imposed upon him by the Regime documents as an owner, and no member shall have any power or authority to incur a mechanic's lien or other lien effective against the Regime property, except as the same may attach only against his appurtenant interest therein and be removable as such.

6. The Board of Directors may in its discretion issue written evidence of membership but the same shall be evidence thereof only and shall in no manner be transferable or negotiable, and the share of the member in the assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to such assignment, hypothecation, or transfer of the unit.

7. No provision or restriction otherwise void by reason of application of the rules against perpetuities or Section 558.68 of the Code of Iowa shall continue for a period longer than the life of the last to survive of the owners and shareholder of the developer and their children in being at the time of the initial recording of the Declaration of Condominium to the Regime and twenty-one (21) years thereafter.

8. Each owner or the lessee of his unit as applicable shall have a right to use and enjoy the common elements provided such use shall be limited to the use permitted by the Declaration of Condominium and other governing documents of the Regime,

## XI.

### DEFINITIONS

Unless the context otherwise requires, the terms used herein shall have the meanings stated in the Horizontal Property Act, and as follows:

1. Person -- the term "person" shall include an individual, a corporation, or other legal entity or its representative.

2. Owner -- the term "owner" for purposes of these Bylaws shall mean any person who owns or holds for himself an interest in one or more units subject to the Regime provided that the holder of a leasehold interest in a unit shall not be an owner and further provided that the holder of an equitable title shall be an owner.

3. Unit -- the term "unit" shall mean and refer to each of the condominium units located in the buildings situated upon the property designed, numbered and intended for use as a residence separately or in conjunction with other units and not owned in common with other owners in the Regime.

4. Ownership units -- the term "ownership units" means the number of ownership units assigned to each condominium unit by the Declaration of Condominium for purposes of voting, assessment, and determination of each unit's appurtenant share of the common elements (provided, however, that such ownership units maybe used for other purposes).

5. Common expenses -- common expenses include:


(a) expenses of administration, expenses of maintenance, operation, repair or replacement of common elements, and the portions of units to be maintained by the Association.

(b) expenses declared common expenses by the Declaration or these Bylaws.

(c) any valid charge against the Regime as a whole.

6. Singular, plural gender -- whenever the context so permits or requires the use of the singular shall include the plural, the plural the singular, and the use of any general shall include all genders.

7. Developer -- the term "developer" means The Oaks Development Company, an Iowa general partnership, or its successors or assigns.



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John C. Kline, Sole Director

CONSENT OF MORTGAGEE  
TO  
SUBMISSION OF PROPERTY  
TO  
CONDOMINIUM REGIME

The undersigned, Liberty Bank, is the holder of a mortgage against the real estate submitted to the Villas of West Okoboji Meadows Condominium Regime by the Declaration of Submission of Property to Horizontal Property Regime for the Villas of West Okoboji Meadows Condominiums to which this Consent is attached. Such mortgage is recorded in Book \_\_\_\_, Page \_\_\_\_\_, of the Dickinson County, Iowa records. By its execution of this Consent, the undersigned hereby consents to the submission of the property covered by such mortgage to the Villas of West Okoboji Meadows Condominium Regime, and agrees that from the time of the filing of said Declaration in the Office of the Dickinson County, Iowa recorder, the lien of such mortgage shall become a lien on the individual units and their undivided percentage interest in the common elements of the Condominium Regime, and such mortgage shall be partially released as to each such unit and its undivided percentage interest in the Condominium Regime upon payment to the undersigned of an amount to be agreed to as to each such unit between the Developer and the undersigned prior to the sale of each unit to a third party.

Dated this 29 day of June, 2000.

LIBERTY BANK

By: 

Title