

**DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS
FOR COTTONWOOD HILLS SUBDIVISION PHASE I
TO HARRISON COUNTY, IOWA.**

THIS DECLARATION is made by GLJ, Inc., an Iowa Corporation, hereinafter called the Declarant, as the current Owner of the real estate to be known as **COTTONWOOD HILLS SUBDIVISION PHASE I**, a subdivision in Harrison County, Iowa, consisting of 52 lots and as set forth on the Final Plat of Cottonwood Hills Subdivision Phase I which is filed at the same time as this Declaration.

The purpose of this Declaration is to prescribe any covenants, conditions, restrictions and easements with respect to the use of the land in Cottonwood Hills Subdivision Phase I for the purpose of providing the best and most appropriate development and improvement of each building site and for the protection of the owners of all lots in Cottonwood Hills Subdivision Phase I, and the future Phase II of Cottonwood Hills Subdivision.

NOW, THEREFORE, GLJ, Inc., as the Declarant hereby declares that each and all of the lots in Cottonwood Hills Subdivision Phase I shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements, all of which shall run with the title to each lot and shall be binding upon all parties having or acquiring any right, title or interest in each lot.

1. Residential Use; No Subdividing of Lots. All lots shall be used for single-family residence dwellings only, and no lot shall be subdivided.

2. Prior Approval of All Buildings. All dwellings, outbuildings, fences or any other structures, and the location thereof, to be constructed in the Subdivision must be approved by Declarant prior to the commencement of any construction of the same. Plans for any dwellings, outbuildings, fences or any other structures shall be submitted to Declarant by the owner of each lot for such required approval, and no construction shall commence until Declarant has submitted written approval of said plans.

3. Dwelling Size, New Materials, and Foundations. No dwelling shall be constructed, erected or maintained which does not have a minimum of 1,450 square feet of living space on the main floor or 1,600 total square feet for split level or two level dwellings, excluding garages. All homes shall be a minimum of 24-feet wide. Garages shall be a minimum of 2 stalls and 400 square feet, which may be under the home, attached or detached. All dwellings shall be of new materials, new construction, and permanently set on a basement foundation. The basement foundation shall be a minimum of 8 feet in height and no less square footage than the main floor of the house. Homes with a garage built under the house may use that square footage towards the minimum required. Modular, manufactured and HUD Code homes of new construction may be placed on a newly constructed basement foundation provided they meet all of the above. Pursuant to Paragraph 2 the Declarant must approve home plans or designs prior to the commencement of any construction.

4. Outbuildings. Any structure or other improvement must conform with the architecture of the main house. It shall be the responsibility of the lot owner to properly maintain the exterior of any and all structures upon the lot. Any structure which suffers major exterior

damage by fire, wind, neglect or other cause shall be repaired or removed within ninety (90) days. Outbuildings shall not be counted as a garage for the minimum garage requirements.

5. Setbacks. No home shall be constructed within 85 feet from the centerline of the private road through the Subdivision. All other structures or outbuildings must be located at least 50 feet from the rear wall of the home constructed on the lot.

6. Fencing. Any private fencing shall be maintained by the owners of the lot whose owner constructed each particular fence. The owners of the lot whose owner constructed each particular fence may also remove any such fence.

A perimeter fence will surround the subdivision. The maintenance of the perimeter fence shall be governed by the provisions of paragraph 24 herein.

7. Animals. Family pets are allowed within the subdivision and owners may keep horse(s) per Harrison County rules and regulations. No commercial dog kennels shall be allowed. All animals shall be kept on a leash or within a pet containment system at all times. Otherwise, Harrison County rules and regulations shall govern all matters pertaining to animals.

8. Commencement of Construction and Construction Period. Construction of a home must commence on a lot within three (3) years after the recording of the deed by which title to the lot is transferred from Declarant. In the event that the current lot owner fails to commence construction within said 3-year period, the Declarant shall have the option of repurchasing any such lot from the current owner for a purchase price equivalent to the current assessed value of the lot by the Harrison County Assessor, less any unpaid real estate taxes on the lot. In the event that Declarant elects to repurchase any lot pursuant to the provisions of this paragraph the purchase price paid for the lot to the current owner shall first be applied toward any mortgage indebtedness on the particular lot.

All construction shall be completed within one year from the commencement thereof. Grading, seeding or sodding of the lawn areas must be completed within 180 days after final construction of a home is completed. During the construction process, no unnecessary building materials, large piles of fill or trash shall be permitted to remain on any lot in the subdivision. Construction of the house must be completed prior to its occupancy, but a house may be occupied after its completion but during the 180 day grading, seeding and sodding period, subject to completion of the driveway as set forth below.

9. Driveway Minimums. All lots in the subdivision shall have a minimum of a paved/asphalt driveway with a minimum width of 12 feet extending from the main road to the garage. The driveway shall be completed no later than 60 days after the residence is completed and prior to occupancy. Driveway maintenance will be the sole responsibility of each lot owner.

10. Utility Easements. A ten-foot (10') easement is reserved along the front (inside the right of way) of all lots and a five-foot (5') easement is reserved along the remaining boundaries for utilities.

11. Utilities. All utilities within the subdivision shall be below ground. Lot owners shall bear all cost of running secondary service from the primary residence to any additional

structures or buildings such as detached garages or other buildings as may be permitted herein. It is understood that Declarant shall provide primary service to each lot, and that the lot owner shall bear all cost of providing the utility to the home or buildings on the lot.

12. Garbage/Trash. All garbage and trash shall be kept in covered containers and shall be screened from public view, except on collection day.

13. Signs. No signs or posters of any kind shall be displayed for public view except signs of not more than twelve (12) square feet used by a builder to advertise the property during construction, or by a real estate agent or the home owner to advertise the property for sale after construction of a residence.

14. Fuel Tanks. All fuel tanks shall be installed underground and shall be maintained pursuant to the laws and safety regulations applicable thereto.

15. Satellite Dishes. Satellite receiver dishes over 2 feet in diameter shall be placed in the rear yard behind the house. Satellite receiver dishes less than 2 feet in diameter may be placed in any location on the property, keeping in mind the requirement for underground cable and wiring.

16. Septic Tanks. All dwellings must connect to a sanitary septic system approved by Harrison County, Iowa, and must be maintained pursuant to all applicable rules and regulations.

17. Lot Maintenance. Any lot being purchased, improved or unimproved, shall be maintained in a manner that is in keeping with the other unsold lots in the subdivision in regard to brush, weeds, trash, and any other unsightly refuse.

18. Vehicles. Tractors and utility vehicles shall not be permitted to be parked on any lot or anywhere in the Subdivision unless stored in a garage or shed.

19. Trailers/Temporary Structures. No trailer, basement, tent, shack, garage, barn or other outbuilding may at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human habitation. Provided, however, nothing herein shall restrict Declarant, or its agents from locating, constructing or moving a temporary real estate and/or construction office on any building site in the properties to be used during the period of construction on and sale of the lots within the Subdivision. Declarant may also erect and maintain model homes for sales purposes, and rental and lease purposes, and may operate such office or offices therein for so long as it deems necessary for the purpose of selling lots in the Subdivision.

20. Noxious/Offensive Activity. No noxious or offensive activity shall be carried on upon any lot contained herein, nor shall anything be done thereon which may become a nuisance to the owners of lots in the Subdivision. No debris, junk, wrecked boats or vehicles, or any unsightly accumulation of materials shall be allowed on any premises.

21. Drainage. Lot Owners shall immediately correct any drainage problems which they may be responsible for which adversely affect any other area, road or trail in the Subdivision. Culverts of adequate size to carry reasonably foreseeable storm runoff shall be installed and properly maintained under any driveway crossing a drainage ditch.

22. Pond. The Declarant has constructed a pond which at its high water mark will be located on Lots 42, 43, 44 and 45 of Phase I and Lots 54 and 55 of Phase II. The owners of the lots upon which the pond is then located may use the pond for recreational purposes but may not trespass onto the shoreline which is at that time located on any other lots in the Subdivision. No motorized craft of any kind shall be allowed on the pond. Use of the pond is otherwise subject to any rules and regulations of Harrison County or the State of Iowa.

23. Private Road and Trail – Entrance Sign - Easements. Each lot in the Subdivision is owned to the centerline of the private road which runs through the Subdivision, but is subject to the right-of-way easement of every owner of the other lots in the Subdivision, including future Phase II, and their invitees, to travel over that portion of the road on each lot for access for ingress and egress to and from their respective lots in both Phases I and II of the Subdivision. In addition, each such lot is subject to an easement for the maintenance and snow removal on the private road to be performed by the Declarant or the homeowner's association according to the terms of this Declaration

As shown on the Plat of Cottonwood Hills Subdivision Phase I, a 35 foot wide buffer zone is reserved over the outside boundaries of lots 4 through 31 in Phase I of the Subdivision and will also be reserved over the outside 35 feet of lots 70 through 78 of future Phase II. In addition to said buffer zone, each such lot is herein specifically made subject to an easement in favor of all lot owners of lots in Phases I and II of the Subdivision, and their invitees, over the outside 35 feet of each such lot for a private trail which is to be constructed by the Declarant and which is to be used as set forth below. In addition, Lots 1 through 5 are also subject to an easement for said private trail over the 35 feet of each such lot immediately adjacent to the county road right of way which borders on each such lot. In addition, all such lots are also subject to an easement over the same area as described above for any maintenance to be performed by the Declarant or the homeowner's association according to the terms of this Declaration. Further, Lot 1 is subject to an easement in said same 35 foot area for the entrance sign which is to be constructed by the Declarant.

The 35 foot easement areas reserved over lots in the Subdivision for the private trail may be modified on those lots located along the northerly boundary of the Subdivision by an Amendment to this Declaration in the future as the Declarant intends to construct a dirt dam in said area.

The private trail is to be used by the owners of lots in both Phases I and II of the Subdivision, and their invitees, for walking, bicycling, horseback riding and other similar leisurely activities. No motorized vehicles of any kind shall be allowed on the trail but for those used in its construction and maintenance, and there shall be no racing activities of any kind allowed on the trail.

Both the private road and the trail shall be subject to the provisions regarding the homeowners association set forth below.

24. Maintenance of Private Roads, Trail, Perimeter Fence and Entrance Sign- Homeowners Association. Declarant shall be responsible for the entire construction of the private road and the trail through the Subdivision, including future Phase II, as well as for the perimeter fence around the subdivision and the entrance sign for the subdivision. Declarant shall also be responsible for the maintenance and snow removal of the private road and trail through the Subdivision, the perimeter fence and entrance sign through March 31, 2009.

Commencing on April 1, 2009 the owners of the lots in the Subdivision are entirely responsible for said snow removal and maintenance of the road and trail, perimeter fence and entrance sign, as will be governed by a homeowner's association as set forth below. The Declarant shall have no further responsibility for the maintenance of the road and trail within the Subdivision, for the perimeter fence, and for the entrance sign after March 31, 2009, and further, shall not be assessed or responsible for any of the costs of the maintenance of the road or trail, the perimeter fence and entrance sign after said date, despite the fact that it may own lots in the subdivision and will be a member of the homeowner's association, as set forth below.

On April 1, 2009 all current owners of lots in the Subdivision shall automatically become a member of the homeowner's association which shall be responsible for the maintenance and snow removal of the private road and trail and the perimeter fence, and for the enforcement of the covenants set forth in this Declaration, and the owners of each lot purchased thereafter shall automatically become a member of said homeowner's association, the membership in which shall continue for as long as each owner is the owner of a lot in the Subdivision, including future Phase II. The Declarant shall on April 1, 2009 turn over to the homeowner's association the bylaws by which the association shall be governed.

Said homeowners' association shall have the authority to make assessments against each owner for the maintenance of the private road and trail, the perimeter fence and entrance sign, and shall also have the authority to make all rules and regulations necessary in regard to the collection of the assessments, including, but not limited, to the right to impose a lien against the lot for any lot owner who fails to pay any such assessments.

The Association shall have two classes of voting membership consisting of the following:

Class A. Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person owns an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to ten (10) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- a. When the Declarant has sold 75 lots in the Subdivision in both Phases I and II.
- b. The written direction of the Declarant.

As set forth above, the Declarant shall have no further responsibility for the maintenance of the road and trail within the Subdivision, the perimeter fence and entrance sign after March 31, 2009, and, shall not be assessed or responsible for any of the costs of the maintenance of the road or trail or perimeter fence after said date, despite the fact that it will be a member of the homeowner's association.

The road within the subdivision shall be maintained as an asphalt road with a minimum of 22 feet in width, plus a reasonable shoulder. Maintenance shall include, but not be limited to, mowing, grading, asphalt, gravel, rock and associated labor to fill ruts, holes, washed-out sections, and ground sections disturbed by utility work; replacement or improvement of drainage paths and culverts; and removal of debris, and all other maintenance deemed necessary by the

homeowner's association. Maintenance of the trail with the Subdivision shall include, but not be limited to, mowing, grading and associated labor to fill ruts, holes, washed-out sections, and ground sections disturbed by utility work; removal of debris, and all other maintenance deemed necessary by the homeowner's association. The homeowner's association will be responsible for the following:

- Determining what maintenance is necessary
- Contracting for repairs or improvements
- Estimating the cost of maintenance in advance
- Notifying property owners what they owe
- Depositing funds in a separate bank account.

If any lot owner causes extraordinary wear and tear on the road or trail by building, well drilling, delivery of equipment or supplies, or other heavy use, such owner shall be responsible to pay for the reasonable cost of any repairs which may be needed to restore the road or trail to the condition it was in prior to such extraordinary wear and tear.

The perimeter fence surrounding the subdivision within the subdivision shall be maintained as a barbed wire/woven wire fence. The homeowner's association will be responsible for the following:

- Determining what maintenance is necessary
- Contracting for repairs or improvements
- Estimating the cost of maintenance in advance
- Notifying property owners what they owe
- Depositing funds in a separate bank account.

If any lot owner causes damage to the perimeter fence, such owner shall be responsible to pay to the association the reasonable cost of any repairs which may be needed to restore the perimeter fence to the condition it was in prior to such damage.

The entrance sign shall be maintained as the homeowner's association sees fit.

25. Commercial Use of Lots. No commercial use of any lot shall be permitted which can be seen, heard, smelled, or otherwise detected from any lot line which jeopardizes the peace, privacy or security of any other lot owner.

26. Easement to Harrison County. Each lot is subject to an easement in favor of Harrison County for the right to travel over that portion of any lot and to bring any necessary equipment onto said lot for the purpose of maintaining the right-of-way for the private roads through the subdivision should said roads ever become a part of the Harrison County road system.

27. Covenants to Run with Lots. These covenants shall run with the land and lots, and shall be binding upon all parties and all persons claiming under them for a period of Twenty (20) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots within the Subdivision has been recorded agreeing to change said covenants in part or in whole.

28. Enforcement of Provisions of Declaration. Declarant, any owner of a lot in the

subdivision, and the later to be established homeowner's association shall have the right to enforce by a proceeding at law or in equity, any provision of this Declaration either to prevent or restrain any violation or to recover damages or other dues of such violation, and the failure by the Declarant, any owner of a lot in the subdivision or the homeowner association to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Nothing contained in this Declaration shall be construed as imposing upon any such party any liability, obligation or requirement for the enforcement of any of the provisions of this Declaration. Invalidation of any covenant, condition, restriction or easement contained in this Declaration shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

29. Amendment to Declaration. This Declaration may be amended by the Declarant in any manner which it may determine in its full and absolute discretion until all lots have been sold, or for a period of ten (10) years from the date hereof, whichever occurs first. Thereafter, this Declaration may only be amended by an instrument signed by all owners of 66% of the lots in both Phase I and Phase II.

30. Declarant. "Declarant" as used herein shall include GLJ, Inc., and its successors and/or assigns.

31. Rubble. The Subdivision is the former site of a U.S. Government Atlas Missile Base. As such, some areas could contain amounts of rubble from the demolition of structures formerly on the property. Declarant shall have no responsibility whatsoever in the event that rubble is found on a lot, and the discovery of rubble on the lot shall not be grounds for the rescission or cancellation of any contract of sale for any lot.

32. Future Phase II. As has been set forth throughout this Declaration, the Declarant plans to plat Phase II of Cottonwood Hills Subdivision at some time in the future. Phase II will consist of lots 52 through 87, and the owners of the lots therein will become members of the homeowner's association established herein, and said members and their invitees shall also use the private road and trail which are located in the subdivision.

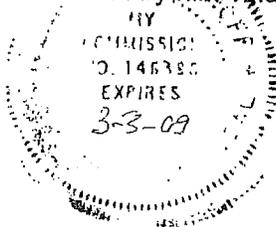
30 IN WITNESS WHEREOF, GLJ, Inc. has caused these presents to be executed this day of May, 2007.

GLJ, INC., Declarant

BY: Gary L. James
Gary L. James - Secretary-Treasurer

STATE OF IOWA, HARRISON COUNTY

On this 30th day of May, 2007, before me, a Notary Public in and for said County and State, personally appeared Gary L. James to me personally known, who being by me duly sworn, did say that his is the Secretary-Treasurer of the corporation executing the within and foregoing instrument to which this is attached; that no seal has been procured by the corporation; that the instrument was signed on behalf of the corporation by authority of its Board of Directors; and that Gary L. James as Secretary-Treasurer of the corporation acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation; by it and by him voluntarily executed.



[Signature]
NOTARY PUBLIC