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DECLARATION OF RESTRICTIONS FOR FARMINGTON HILLS

This Declaration is made this 27th day of September, 1991, by DUGGAN LAND DEVELOPMENT, INC., an Iowa corporation hereinafter called "Developer".

ARTICLE I

STATEMENT OF INTENT

Developer owns the real estate commonly known as FARMINGTON HILLS in Pottawattomie County, Iowa, as more specifically identified in the Addendum to this Declaration. Developer desires to provide for the preservation of values in the development of said facilities, and, therefore, desires to subject said real estate to covenants, restrictions, easements, charges, and liens hereinafter set forth which are for the benefit of said property. In connection with the maintenance of certain portions of said real estate, it is the intent and desire of Developer to incorporate the Farmington Hills Home Association as a not-for-profit corporation, which Association shall have powers of maintaining and administering the common properties and facilities and enforcing the covenants and restrictions and collecting and disbursing assessments and charges.

THEREFORE, the Developer hereby declares that the subject real estate be held, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth, which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors, and assigns, and which shall inure to the benefit of each owner thereof.

ARTICLE II

DEFINITIONS

For the purpose of these Restrictions, the following words shall be defined as follows:

(1) "The Properties" shall mean and refer to all such existing properties as are subject to this Declaration, and all Common Areas, and any addition to the residential community known as Farmington Hills which Developer may in its discretion make subject to this Declaration as hereinafter set forth.

(2) "Common Areas" shall mean and refer to all open spaces, street right-of-ways, streets and street islands, and frontage on certain lots of Farmington Hills now or hereafter held in the name of the Developer or its successor, the Home Association, and dedicated to the common use and enjoyment of all the Lotowners and residents of the Properties.

(3) "Lot" shall mean and refer to any separately-owned parcel as may be shown by any recorded subdivision plat of the Properties, with the exception of Common Areas as heretofore defined. Where the context indicates or requires, the term "Lot" includes any structure on the Lot.

(4) "Residence" shall mean and refer to any portion of a building situated upon the properties designed and intended for use and occupancy as a residence by a single family.

(5) "Lotowner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot situated upon the Properties. The foregoing does not include persons or entities who hold an interest in any Lot merely

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as security for the performance of an obligation, unless such person or entity has acquired title pursuant to foreclosure or upon proceeding instead of foreclosure. Lotowner shall include Developer.

(6) "Developer" shall mean and refer to Duggan Land Development, Inc., an Iowa corporation, its successors and assigns.

(7) "Front Property Line" shall mean the property line of any lot abutting the right-of-way of any street.

(8) "Outbuilding" shall mean an enclosed, covered structure not directly attached to the residence to which it is appurtenant.

(9) "Homes Association" shall mean Farmington Hills Home Association, the Iowa not-for-profit corporation to be formed by the Developer for the purpose of serving as the Homes Association for the Properties.

(10) "Board of Directors" shall mean Board of Directors of the Homes Association as set forth in the Homes Association's Article of Incorporation and By-Laws.

(11) "Exterior Structure" means any structure erected or maintained on a Lot other than the main residential structure or any structural component thereof, including but not limited to any deck, gazebo, greenhouse, doghouse or other animal shelter or run, outbuilding, fence, privacy screen, boundary wall, bridge, patio enclosure, tennis court, paddle tennis court, swimming pool, hot tub, basketball goal, swingset, trampoline, sand box, playhouse, treehouse, or other recreational or play structure.

ARTICLE III

Section 1.

Use of Land. None of the Lots may be improved, used or occupied for other than single-family private residential purposes, and no duplex, flat or apartment house, although intended for residential purposes, may be erected thereon. No residential building which has previously been at another location shall be moved onto the Lot. No trailer, outbuilding or exterior structure erected on any Lot shall at any time be used for human habitation, temporarily or permanently, nor shall any residence of temporary character be erected on any of such Lots or used for human habitation; provided, however, that nothing herein shall prevent the Developer from erecting temporary buildings and using such temporary buildings or any residence for model, office, sales or storage purposes during the development of the Properties.

Section 2.

Setback Lines. No part of any residence, except as hereinafter provided, may be erected or maintained on any of the lots nearer to the front street or the side street than seventy five (75) feet nor further from the front street than one hundred (100) feet. Provided, however, that Duggan Land Development, Inc. shall have and does hereby reserve the right with the consent in writing of the record owner of the fee simple title to any such Lot, to change any building line on any such Lot or Lots, so long as the change conforms to such front, rear and side setback lines as are contained in the Pottawattomie County, Iowa Zoning Ordinance for Pottawattomie County, Iowa as the same is now enforced or may hereafter be amended.

Section 3.

Dwelling Size. Any residence one story in height erected on any of said Lots shall contain a minimum of twelve hundred (1200) square feet of enclosed floor area; any split level residence shall

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contain a minimum of fifteen hundred (1500) square feet of enclosed floor area; any one and one-half story and two story residence shall contain a minimum of sixteen hundred (1600) square feet of enclosed floor area of which at least eight hundred fifty (850) square feet shall be on the first floor. The word "enclosed floor area" as used in this Section 3 shall include in all cases areas on the first and second floor of the residence enclosed and finished for all-year occupancy computed on outside measurement of the residence, and shall not include any area in any basement, garage, porch or attic finished for all-year occupancy and further shall not include any area in any basement, garage, porch or attic finished or unfinished. No residence erected on any of said lots shall be more than two stories in height, unless consented to in writing by Developer. Developer shall have and hereby reserves the right to reduce the floor area requirement set forth above, provided the total reduction for any one residence may not exceed twenty (20) percent of such minimum floor area requirements for such residence.

Section 4.

Approval of Plans and Post-Construction Changes.

a. No Residence or Exterior Structure may be erected upon or moved onto any Lot unless and until the building plans, specifications, exterior color scheme, materials, location, elevation, grade and landscaping thereof have been submitted to and approved in writing by the Developer or, in the case of delegation of such approval power by Developer as provided herein, the Board of Directors of the Homes Association. Nor shall any change or alteration in such building plans, specifications, exterior color scheme, materials, location, elevation, grade and landscaping thereof be made until such change or alteration has been submitted to and approved in writing by the Developer. Nor shall any change or alteration in such elevation, grade and landscaping be made unless such change or alteration is in conformance with Planning and Zoning Resolution No. 90-8 filed on January 8, 1991 in Book 91 page 14959 of the Pottawattamie County Recorder's Office and approved by the Soil Conservation District.

b. Following the completion of construction of any Residence or Exterior Structure, no exterior colors or landscaping thereof or with respect thereto shall be changed and no exterior additions or alterations to any structure shall be made unless and until the changes have been submitted to and approved in writing by the Developer or in the case of delegation of such approval power by Developer as provided herein, the Board of Directors of the Homes Association. All replacement of all or any portion of a structure because of age, casualty loss or other reason, including, without limitation, roofs and siding, shall be of the same material as the original structure unless the changes have been submitted to and approved in writing by the Developer or, in the case of delegation of such approval power by Developer as provided herein, the Board of Directors.

c. Architectural Control in the properties, including the power of approval as set forth in subsections (a) and (b) of this Section 4, shall be solely the function of Developer. Developer may, at its option delegate all or any part of the function of architectural control to the Board of Directors of the Homes Association. If such delegation is made, architectural control shall be the function and obligation of the Board of Directors of the Homes Association, and it may not be delegated to a separate architectural control committee or other similar group. Any such delegation by Developer of all or part of its architectural control function to the Board of Directors shall not be effective unless done in writing and signed by a person authorized to act on behalf of Developer.

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Section 5.

Building Material Requirements. Exterior walls of all buildings, structures and appurtenances thereto shall be made of brick, stone, stucco, wood shingles, wood siding, wood paneling, glass blocks, or any combination thereof. Windows, doors and louvers shall be of wood, fiberglass or metal and glass. Roofs shall be covered with wood shingles, wood shakes, composition shingles, asphalt shingles, slate or tile. Exteriors, except roofs and shake sidewalls, shall be covered with no less than two coats of good paint or stain. No building shall be permitted to stand with its exterior in an unfinished condition for longer than five months after commencement of construction. In the event of fire, windstorm, or other damages, no building shall be permitted to remain in damaged condition longer than three (3) months.

Section 6.

Buildings or Uses Other Than For Residential Purposes: Noxious Activities: Miscellaneous.

a. Except as otherwise provided in Article III, Section 1 above, no Residence or Exterior Structure shall ever be placed, erected or used for business, professional, trade or commercial purposes on any Lot, provided, however that this restriction shall not prevent a Lotowner from maintaining an office area in his residence which is not his principal place of business.

b. No noxious or offensive activity shall be carried on with respect to any Lot, nor shall any trash, ashes or other refuse be thrown, placed or dumped upon any Lot or Common Area, or be permitted to accumulate or remain on any Lot except such compost facilities as may be approved by Developer in writing, nor shall anything be done which may be or become an annoyance or a nuisance to the neighborhood, including but not limited to mechanical work on automotive or other equipment of any kind. Each Lotowner shall properly maintain his Lot in a neat, clean and orderly fashion. All Residences and Exterior Structures shall be kept and maintained in good condition and repair at all times. Developer retains the right to keep and maintain such materials and equipment as it deems reasonably necessary to further development of this and any adjacent property owned by Developer.

c. No vehicles including but not limited to trailers, buses, campers, motor homes, recreational vehicles, boats, trucks, or commercial vehicles or any similar apparatus shall be parked, maintained or stored on any Lot or in any Common Area for more than a 24 hour period. All said vehicles shall be parked, maintained and stored inside the residence or other outbuilding and shall not be parked on the street or any other Common Area. It is the intent of the parties hereto that all automobiles shall be kept in an enclosed garage whenever possible. Motorized vehicles shall not be operated on any Lot or Common Area, other than in the street or in the area one hundred (100) feet beyond the back building line of a residence.

d. No television, radio, citizens' band, short wave or other antenna, solar panel, windmill, wind-driven electrical generating system, sun energy system, clothes line or pole, or other unsightly projection shall be attached to the exterior of any residence or erected in any yard. Any satellite dish placement shall be approved in writing by Developer or its designee. Should any part or all of the restriction set forth in the preceding sentence be held by a court of competent jurisdiction to be unenforceable because it violates the First Amendment or any other provision of the United States Constitution, or for any other reason, the Developer or its designee shall have the right to establish rules and regulations regarding the location, size, landscaping and other aesthetic aspects of such projections so as to reasonably control the impact of such projections on the neighborhood and any such

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rules and regulations shall be binding upon all of the Lots. No lights or other illumination shall be higher than the residence.

e. All garage doors shall remain closed at all times except when necessary for entry or exit.

f. No garage sales, sample sale or similar activities shall be held within the Properties without the written consent of the Developer or its designee.

g. No mailbox or standard therefor shall be erected or installed without prior approval of style, material, construction, and location being granted by the Developer or its designee.

h. No speaker, horn, whistle, siren, bell or other sound device, except intercoms and those used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any residence or in any yard.

i. All public utilities shall be underground.

j. In the event of vandalism, fire, windstorm or other damage, no residence or exterior structure shall be permitted to remain in damaged condition for longer than three months.

k. No exterior Christmas lights and/or decorations may be erected or maintained on any of the lots hereby restricted, except during a sixty (60) day period beginning November 15th of each calendar year.

l. Dogs shall be confined to their owner's lot. No dogs shall be allowed to run at large in the Common Areas hereby restricted.

m. No greenhouses may be constructed or maintained on any of the lots hereby restricted, without prior consent in writing by Developer.

n. No air conditioning apparatus or unsightly projections shall be attached or affixed to the front of any residence.

o. No bright light (Mercury Vapor or Sodium) shall be placed on the exterior of any structure or constructed separately without the written consent of Developer.

Section 7.

Exterior Structures.

a. No Exterior Structure including but not limited to any outbuildings shall be erected upon, moved onto or maintained upon any Lot except (i) with and pursuant to the advance written approval of the Developer or its designee, and (ii) in compliance with the additional specific restrictions set forth in subsections (b) through (g) of this Section 7; provided, however, that the approval of the Developer or its designee shall not be required for any deck, gazebo or similar Exterior Structure that has been specifically approved by the Developer as part of the residential construction plans approved by the Developer and has been built in accordance with such approved plans.

b. All residential fences and privacy screens (other than those installed by Developer) shall be consistent with the standard designs, heights and materials to be selected by the Developer or its designee. All fences shall be constructed with the finished side out. No metal (other than wrought iron), chain link or similar fence or privacy screen shall be permitted. No fence shall be erected within fifty (50) feet of the backbuilding line of any residence.

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c. All basketball goals shall be free-standing and not attached to the residence unless the Developer or its designee determines that there are compelling reasons for the basketball goal to be attached to the residence. All basketball goals shall be consistent with the standard designs and materials to be selected by the Developer or its designee. All backboards shall be clear or white and made of fiberglass, plastic or other approved materials. All poles shall be an earth-tone color and of one-piece construction. There shall be no more than two basketball goals per Lot. The location of each goal shall be approved by Developer. The Developer or its designee shall have the right to establish reasonable rules regarding the hours of the use of basketball goals and any such rules shall be binding upon all of the Lots.

d. All recreational or play structures (other than basketball goals) shall be located behind the back building line of the residence.

e. No above-ground swimming pools shall be permitted. All pools and hot tubs shall be fenced. All pools and hot tubs shall be kept clean and maintained in operable condition.

f. All outbuildings shall be erected a minimum of one hundred (100) feet from the backbuilding line of the residence. No outbuilding shall be erected until approved in writing by Developer or its designee as outlined in Section 7 subparagraph (a) hereinabove and as outlined in Article III, Section 4.

g. No Exterior Structure that is prohibited under Section 6 above shall be permitted under this Section 7.

Section 8.

Animals. No animal of any kind shall be raised, bred or kept on any Lot except that horses, dogs, cats or other household pets may be kept, as long as they are in compliance with the Pottawatomie County, Iowa Zoning Ordinance of Pottawatomie County, Iowa, as the same is now enforced or may hereafter be amended. Under no circumstance is any poultry including but not limited to chickens, ducks, geese or turkeys, to be raised, bred or kept on any Lot. Animals raised pursuant to organizational clubs including but not limited to 4-H, Boy Scouts and Girl Scouts shall be permitted to be raised, bred or kept upon written approval by Developer or its designee.

Section 9.

Driveways. All driveways must be improved with hard surface, consisting of a minimum of four (4) inches of reinforced concrete or other materials approved in writing by Developer. Gravel driveways or driveways consisting of a crushed rock base with prime and seal coat will only be permitted beyond one hundred feet from the backbuilding line of a resident.

Section 10.

Signs. No sign, advertisements, billboards, or advertising structures of any kind may be erected or maintained on any of said lots without the consent, in writing, of Developer; provided, however, that permission is hereby granted for erection and maintenance of not more than one advertising board on each lot or tract as sold and conveyed, which advertising board shall not be more than seven (7) square feet in size and may be used of the sole and exclusive purpose of advertising for sale or lease the lot or tract upon which it is erected.

Section 11.

Landscaping and Lawns. Prior to occupancy, and in all events within five months after commencement of construction, all front

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and back lawns, including all areas between each Residence and any adjacent street, regardless of the distance and location of any fence, monument, boundary wall, berm, sidewalk or right-of-way line, shall be fully seeded and shall remain fully seeded at all times thereafter; provided, however, that a Lotowner may leave a portion of the Lot as a natural area with the express written permission of the Developer. All vegetable gardens shall be located in the back yard. The Owner of each Lot shall keep the lawn uniformly mowed and clipped with a length of grass not to exceed four inches and shall properly maintain and replace all trees and landscaping. Noxious weeds and plants shall be kept seasonably mowed and dead or unsightly growth shall be removed from all improved Lots.

Section 12.

Easements for Public Utilities; Drainage; Maintenance. The Developer shall have, and does hereby reserve, the right to locate, erect, construct, maintain and use, or authorize the location, erection, construction, maintenance and use of drains, pipelines, sanitary and storm sewers, gas and water mains and lines, electric and telephone lines and other utilities, and to give or grant right-of-ways or easements and rights-of-way shown on the recorded plat of the Properties or any Common Area. All utility easements and rights-of-way shall inure to the benefit of all utility companies, for purposes of installing, maintaining or moving any utility lines or services and shall inure to the benefit of all Lotowners in the Properties and the Homes Association as a cross-easement for utility line or service maintenance.

The Developer shall have and does hereby reserve for itself, its successors and assigns and the Homes Association and its successors and assigns, an easement over and through all unimproved portions of each Lot in the Properties for the purpose of performing the duties of the Homes Association and maintaining any Common Area.

Section 13.

Landscape Easement. All portions of the Properties reserved, set aside or granted as a landscape easement or license, as indicated by mark, symbol or legend on any plat of land contained within the properties and filed with the Office of the Register of Deeds of Pottawattomie County, Iowa, shall be interpreted as the grant by Developer of an easement or license on, over and across any land as indicated to the Homes Association. Said easement or license shall give the Homes Association the right to enter upon, over and across any land on which such an easement or license is granted, for the purpose of improving, maintaining, landscaping, designing and otherwise controlling the design and appearance of any area so indicated.

ARTICLE IV

HOMES ASSOCIATION

Section 1.

Every Lotowner shall be deemed to have a membership in the Homes Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

Section 2.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Lotowners, with the exception of Developer (Duggan Land Development, Inc.), and shall

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be entitled on all issues to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine and advise the secretary prior to any meeting. In no event shall more than one vote be cast with respect to any Lot. In the absence of agreement by multiple owners of a Lot, that Lot's vote shall be suspended if more than one person seeks to exercise it.

Class B. The Class B member(s) shall be Developer (Duggan Land Development, Inc., its successors and assigns) and shall be entitled to twenty-five (25) votes for each Lot owned.

Section 3.

Articles of Incorporation and Bylaws. Except as specifically set forth in this Declaration, all provisions applicable to notice, voting and quorum requirements for all actions to be taken by the Homes Association shall be set forth in its Articles of Incorporation and Bylaws. In any event, if any provisions set forth in this Declaration applicable to notice, voting and quorum requirements are in conflict with any provisions of Iowa law applicable to not-for-profit corporations on the date of this Declaration, or at any time after said date, the applicable provisions of Iowa law shall control.

ARTICLE V

COMMON AREAS

Section 1.

Developer's Right to Retain. The Developer may retain the legal title to the Common Areas until such time as it has completed improvements thereon and until such time as in the opinion of the Developer, the Homes Association is able to maintain the same. The Developer, or its successors and assigns, shall have a right over all streets to develop adjacent land and Developer shall have a right to access on all streets for the purpose of developing adjacent land.

Section 2.

Lotowner's Easements of Enjoyment. Every Lotowner shall have a right and easement of enjoyment in and to the Common Areas, but only for the intended use, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Homes Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Areas and to impose reasonable limits on the number of guests who may use the facilities;

(b) The right of the Homes Association to suspend the voting rights and right to use of any of the recreational facilities by a Lotowner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Homes Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors of the Homes Association.

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(d) The ownership by the Homes Association of any Common Areas and the right and easement of enjoyment of the Lotowners in the Properties as to any Common Area shall be subject to the right to the Developer to convey sewage, water, drainage, maintenance and utility easements over, under, upon and through such Common Area, as provided in Article III, Section 12 above.

(e) No Lotowners shall improve, destroy or otherwise alter any Common Area without the express written consent of the Developer.

(f) Any gates or similar security facilities that may be installed as or in a common Area shall be constructed and operated in a manner so as to permit access at all times by emergency vehicles.

(g) The Developer and the Homes Association shall have the right to make additional rules, regulations and restrictions pertaining to the use of any Common Area.

Section 3.

Delegation of Use. Any Lotowner may delegate, in accordance with the bylaws of the Homes Association, and subject to reasonable rules, regulations and limitations as may be adopted in accordance therewith, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1.

Creation of the Lien and Personal Obligation of Assessments. The Developer, for each lot owned within the properties, hereby covenants, and each Lotowner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- i) Annual assessments for charges, and
- ii) Special assessments for capital improvements;

such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. His personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

No charge shall be made for annual or special assessments on any Lot until the same is fully improved and title thereto is conveyed to a Lotowner for the purpose of occupancy of a Residence located on such Lot. No Lot shall be charged with either an annual or special assessment, nor shall any lien attach for same, during any period of time that the Lot is owned by Developer, his successor or assigns, or any builder to whom title is conveyed for the purpose of construction of a residence prior to re-sale.

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Purpose of Annual Assessments. The annual assessments levied by the Homes Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the limited improvement and normal maintenance of the Common Areas. The Board of Directors of the Homes Association will have the power to fix the assessments in such amounts as the Board of Directors shall determine in its discretion.

Section 3.

Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting called for this purpose.

Section 4.

Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 of this Article shall be sent to all members not less than thirty days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence, in person or by proxy, of members entitled to cast 50 percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. If the required quorum is not present at any such subsequent meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the second subsequent meeting, or any subsequent meeting thereafter called for a lack of a quorum, shall continue to be one-half of the required quorum at the initial meeting called for such purpose. In no event shall the required quorum fall below the presence, in person or by proxy, of members entitled to cast twenty-five percent of all the votes of each class of membership. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 5.

Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly, annual or other periodic basis as the Board of Directors may determine.

Section 6.

Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall be estimated, determined and billed in advance for the coming calendar year. The annual assessments shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessment shall be sent to every lotowner subject thereto. The due date shall be established by the Board of Directors. The Homes Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Homes Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Homes Association as to the status of assessments on the lot

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is binding upon the Homes Association as of the date of its issuance.

Section 7.

Effect of Non-Payment of Assessments; Remedies of the Homes Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the prime lending rate as established by the First National Bank of Council Bluffs, Iowa, as of the due date of the Assessment. The Board of Directors may also establish a reasonable late charge, in such amount as the Board of Directors may determine, to be added to any annual or special assessment if not paid within thirty (30) days after the due date thereof. The Homes Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. The Homes Association shall have the right to recover reasonable attorneys fees incurred in the collection of any unpaid assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Commons Areas or abandonment of his lot.

Section 8.

Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any lot shall not affect the assessment lien. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

GENERAL PROVISIONS

Section 1.

Property Subject to This Declaration; Additions Thereto.

a. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration as of the date of this Declaration is that property more specifically identified in the addendum to this Declaration.

b. Additions to Existing Property. Developer reserves the right to add additional real estate to this Declaration in the following manner: If Developer is the owner of any real estate located in the Farmington Hills subdivision to Pottawattomie County, Iowa, or non-platted land abutting said subdivision, Developer may add any part thereof to this Declaration without the consent of Class A members of the Homes Association at any time by filing of record a supplementary Declaration of covenants, conditions and restrictions, which shall subject said additional real estate and all improvements thereon to all covenants, conditions, and restrictions applicable solely to said additional real estate as may be necessary or desirable as determined by the Developer. In no event, however shall such supplementary Declaration modify or add to the covenants established by this Declaration for the existing property without the written consent, obtained after at least thirty (30) days notice, of sixty percent (60%) or more of the Class A membership and all Class B membership of the Homes Association.

Section 2.

Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Developer, or its successors and assigns, or by the Lotowner of any real estate subject to the Declaration, their respective legal representatives, heirs, successors and

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assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of five (5) years, unless an instrument signed by the Lotowners of two-thirds of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part; provided, however, that no such agreement to change shall be effective unless written notice of the proposed Agreement is sent to every Lotowner at least sixty (60) days in advance of any action taken.

Section 3.

Notices. Any notice required to be sent to any member or Lotowner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as a member or Lotowner on the records of the Developer or Homes Association at the time of such mailing.

Section 4.

Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages or both and against the land to enforce any lien created by these covenants, and failure by the Homes Association or any Lotowner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 5.

Severability. In the event any one of these covenants or restrictions are held invalid by a judgment or court order, this shall in no way affect any other provisions which shall remain in full force and effect.

Section 6.

Amendment. By written consent of the owners of the area of land within the district as then constituted, evidenced by a Declaration duly executed and acknowledged by such owners and recorded in the Office of the Register of Deeds of Pottawattomie County, Iowa, this instrument may be modified and amended.

Section 7.

Insurance. The Board of Directors of the Homes Association shall obtain and maintain, to the extent reasonably available, such forms, types and amounts of insurance coverage as the Board of Directors, in its discretion, deems advisable. Types of insurance the Board of Directors, may obtain include, but are not limited to, casualty insurance to cover damage or loss, up to the replacement costs, of improvements located upon real estate owned by the Homes Association by reason of fire or other hazard covered by a standard extended coverage endorsement; casualty insurance to cover such other risks as shall customarily be covered with respect to property similar in construction, location and use; public liability insurance; workmen's compensation insurance to the extent necessary to comply with any applicable law; a legal expense indemnity endorsement, or its equivalent, affording protection for the officers and directors of the Homes Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or director shall have been made a party by reason of his or her services as such; fidelity insurance against dishonest acts on the part of directors, managers, trustees, employees or volunteers; and such other policies of insurance, including blanket policies of

COMPARED

ADDENDUM TO DECLARATION OF RESTRICTIONS FOR FARMINGTON HILLS

The real estate which is the subject of the Declaration of
Restrictions for Farmington Hills, executed on the ____ day of
September
August, 1991, is legally described as follows:

The SE 1/4 NE 1/4 of Section 24, Township 75,
Range 43 West of the 5th P.M., except part
conveyed to State of Iowa by warranty deed
recorded in Book 1429, Page 533