

COMPARED

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OTTAWA COUNTY, IOWA

99 NOV 10 PM 3:02

JOINT RECORDING
RECORDER

INST # 8501

RECORDING FEE 15⁰⁰

AUDITOR FEE

RMA FEE 1⁰⁰Prepared by Richard A. Heininger, P.O. Box 249, Council Bluffs, Iowa 51502

**FIRST AMENDMENT TO DECLARATION OF SUBMISSION
OF PROPERTY TO HORIZONTAL PROPERTY REGIME FOR
WATERS EDGE TOWNHOMES**

The undersigned, Waters Edge Townhomes, L.L.C., an Iowa limited liability company, herein referred to as "Developer" and pursuant to the power to amend contained in Article XX of said Declaration, does hereby amend said Declaration as follows, to-wit:

Article I

Developer owns four of the twenty units in the regime and less than ten years have elapsed since the Developer established the regime.

Article II

Developer has changed the configuration of the limited common element driveway for units 1140 and 1145 and does hereby amend the said Declaration to provide a limited common element consisting of a joint driveway for units 1140 and 1145. Unit 1145 shall have unobstructed use of twenty (20) feet of the driveway measured from the Southernly and Easterly sides of the joint driveway as the same is now constructed. Unit 1140 shall have unobstructed use of the remaining portion of the joint driveway as the same is now constructed. Unit 1140 owner shall keep the limited common element joint driveway area free of obstructions and shall not take any action which shall interfere with the use of said joint driveway by unit 1145 owner. The provisions of this amendment shall be superior and paramount to the right of the owners of the units and their respective successors in interest and shall be a covenant that runs with the land. In all other respects the limited common element joint driveway shall be subject to the terms and conditions of the said Declaration.

Dated this 5th day of November 1999.

WATERS EDGE TOWNHOMES, L.L.C.

By: 

Kenneth J. Jansen, Member

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COMPARED

By: Duane H. Menke
Duane H. Menke, Member

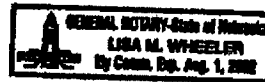
By: Thomas D. Friedman
Thomas D. Friedman

STATE OF NEBRASKA

COUNTY OF DOUGLAS

On this 5 day of November 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth J. Jansen, Duane H. Menke, and Thomas D. Friedman to me personally known, who being by me duly sworn, did say that they are the members of said limited liability company executing the within and foregoing instrument; that said instrument was signed on behalf of said limited liability company by authority of its members; and that the said Kenneth J. Jansen, Duane H. Menke, and Thomas D. Friedman as such members acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it and by them voluntarily executed.

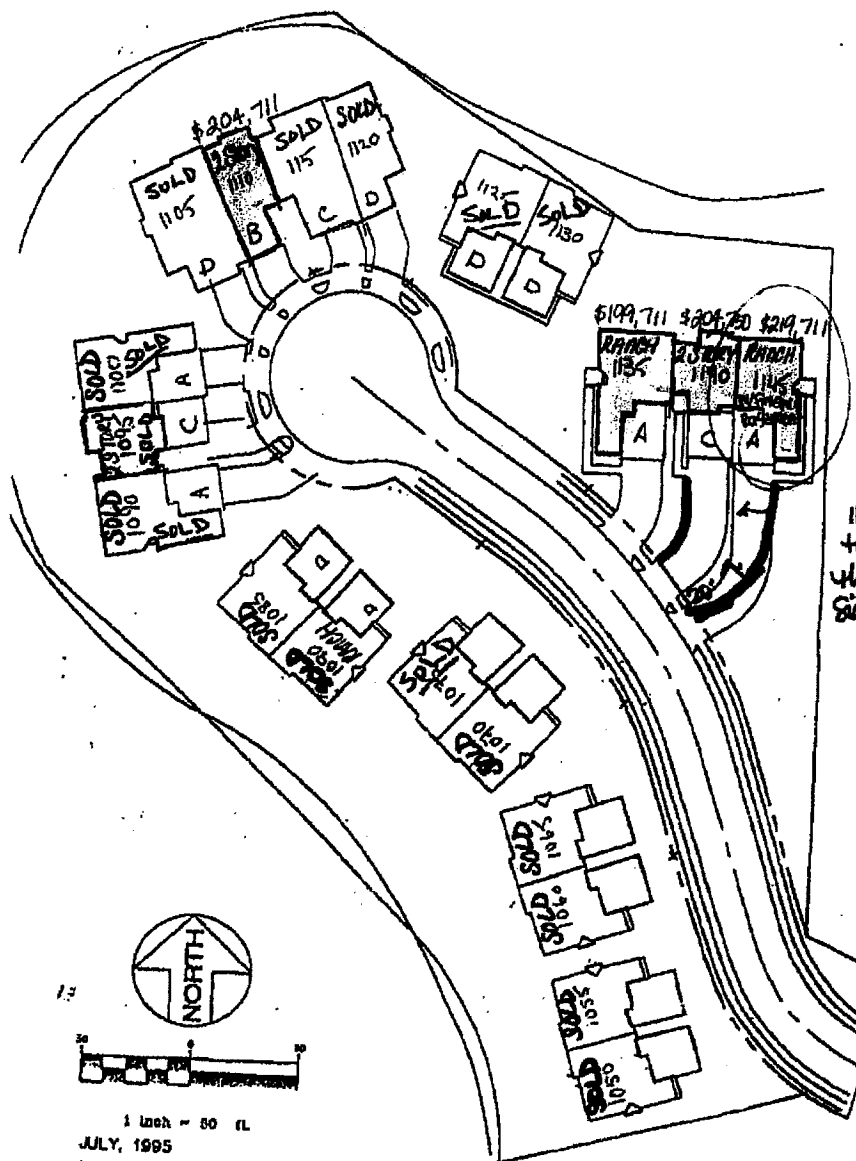
Thomas D. Friedman .10599.
NOTARY PUBLIC IN AND FOR SAID STATE
~~Thomas D. Friedman, Member~~



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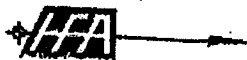
COMPARED

LAKE



1 inch = 50 ft
JULY, 1995

CONSTRUCTION



Hill-Farrell Associates, Inc.
Land Surveyors, Land Planners, Construction Surveys
1004 Lincoln Road, Bellevue, NE 68005 402-291-8100

BK100P623450

101-1534

INST # _____
RECORDING FEE 145.00
AUDITOR FEE _____
RMA FEE 1.00

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FILED IN 1502
OFFICE OF THE CLERK OF COURTS
POLK COUNTY, IOWA

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CLERK OF COURTS
RECORDER

Richard A. Heisinger
Preparer Information: Richard A. Heisinger,
Name

P.O. Box 249, Council Bluffs, IA 51502-0249
Address

(712) 328-1833
Telephone

SECOND AMENDMENT TO DECLARATION SUBMISSION
OF PROPERTY TO HORIZONTAL PROPERTY REGIME FOR

WATERS EDGE TOWNHOMES

The undersigned, Waters Edge Townhomes, L.L.C., an Iowa limited liability company, herein referred to as "Developer" and pursuant to the power to amend contained in Article XX of said Declaration, does hereby amend said Declaration as follows, to-wit:

Article I

Developer owns three of the twenty units in the regime and less than ten years have elapsed since the Developer established the regime.

Article II

At the request of the Water's Edge Townhomes Condominiums Association, Inc., Developer has changed the Bylaws of Water's Edge Townhomes Condominiums Association, Inc. as approved by the majority of the owners in a meeting held on March 28, 2000, as prescribed by the Bylaws. The attached Bylaws document shall supercede all previous Bylaws and Bylaw Amendments of record. The provisions of this amendment shall be superior and paramount to the right of the owners of units in Water's Edge Townhomes Condominiums and their respective successors in interest and shall be a covenant that runs with the land.

Dated this 7 day of July, 2000.

WATERS EDGE TOWNHOMES, L.L.C.

By: *Kenneth J. Jansen*
Kenneth J. Jansen, Member

By: *Duane H. Menke*
Duane H. Menke, Member

By: *Thomas D. Friedman*
Thomas D. Friedman

STATE OF Nebraska

COUNTY OF Douglas

On this 7 day of July, A.D. 2000

CONFIDENTIAL

**Bylaws of Water's Edge Townhomes
Condominiums Association, Inc.**

Carter Lake, Iowa

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**BYLAWS OF THE CONDOMINIUM ASSOCIATION OF THE
HORIZONTAL PROPERTY REGIME (CONDOMINIUM) KNOWN AS
WATER'S EDGE TOWNHOMES**

**ARTICLE I.
PLAN OF CONDOMINIUM UNIT OWNERSHIP**

SECTION 1. Condominium Ownership. The property known as Water's Edge Townhomes Condominiums, Carter Lake, Iowa and the improvements constructed thereon are submitted and conveyed to the condominium form of ownership and use, and are submitted to the provisions of chapter 499B of the Code of Iowa.

SECTION 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the property. The term "Property" as used herein shall include both the land and the building or buildings located thereon.

SECTION 3. Personal Applicability. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the condominium in any manner, are subject to these Bylaws and Restrictions, Rules and Regulations promulgated as permitted herein. The mere acquisition or rental of any of the Condominium Units or the mere act of occupancy of any of said Units will signify that these Bylaws are accepted, ratified and will be complied with.

**ARTICLE II.
DEFINITIONS**

SECTION 1. The terms employed shall have the meaning defined in Chapter 499B, Code of Iowa; unless the context or more particular provisions of any condominium document requires a different meaning. In addition to those below, additional terms are defined in Article I of the Declaration of Submission for Water's Edge Townhomes Condominiums.

Certain terms are used as follows:

- (a) Apartment or Unit. The terms "Apartment" or "Unit" or "Condominium Unit" are used interchangeably throughout these Bylaws and each means the enclosed space constituting a single complete residential unit in Water's Edge Townhome Condominiums. An "apartment" or "unit" also means generally an area enclosed by walls and floors and including and confined by such walls which is capable of being owned as a separate parcel of real property under the Iowa Horizontal Property Act. These terms shall have the same meaning as the term "Apartment" as defined in the Act.

- (b) Co-Owner or Owner. "Co-owner" means a person, corporation, partnership, association, trust or other legal entity who or which own one or more units in Water's Edge Townhomes Condominiums. The term "Owner," wherever used, shall be synonymous with the term "Co-owner."
- (c) Council of Co-owners or Condominium Association. "Council of Co-owners" or "Condominium Association" or "Association" or "Water's Edge Townhomes Association" means the Water's Edge Townhomes Condominiums Association, Inc., which is the non-profit corporation organized under Iowa law of which all co-owners shall be members, and which Association shall manage and maintain the Property.
- (d) General Common Elements. General Common Elements shall mean and include those elements as set forth in Article V of the Declaration of Submission of Property for Water's Edge Townhomes.
- (e) Limited Common Elements. Limited Common Elements shall mean those elements as set forth in Article V of the Declaration of Submission of Property for Water's Edge Townhomes.
- (f) Declaration Submission of Property for Water's Edge Townhomes. The terms "Declaration Submission of Property for Water's Edge Townhomes" and "Declaration" refers to the Documents filed by the Developer submitting the development to the horizontal property regime of Iowa as established by the Horizontal Property Act, Chapter 499B, Code of Iowa, as revised.

ARTICLE III. MANAGEMENT OF THE REGIME

SECTION 1. Condominium Association, Membership, Vote or Other Action of Owners. The business and affairs of the regime shall be governed and managed by the Condominium Association of Water's Edge Townhomes Condominiums Association, Inc. All owners of Units shall automatically be members of the Association and membership in said Association shall automatically cease upon termination of such ownership interest. Whenever a vote or other action of the Unit owners as a group is required, the mechanics of conducting such a vote or taking such action shall be under the control and supervision of the Condominium Association subject to the Bylaws.

SECTION 2. Agreements and Compliance. All owners, tenants' families, guests, and other persons using or occupying the regime shall be bound by and strictly comply with the provisions of the Declaration and these Bylaws and applicable provisions of the other condominium documents, and all agreements and determinations lawfully made by the Association the officers duly elected by said Association, or their agents, shall be binding on all such persons. A failure to comply with the Bylaws, or the provisions of any other

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condominium document, or any other agreement or determination thus lawfully made shall be grounds for an action to recover the sums due for damages on the part of the Association or any owner as may be applicable and for mandatory or injunctive relief. The use of any legal remedy by the Association or by an owner to enforce compliance shall in no event constitute a waiver of any other available remedy.

SECTION 3. Included Powers, Foreclosure of Lien, Waiver of Partition. Each owner agrees that the Association has and shall exercise all powers, rights and authority granted to it by Chapter 499B, Code of Iowa, as the same may be hereafter amended, and such as are more particularly set forth in the condominium documents, including the making of assessments chargeable to owners and a lien on Units for any common expenses, and the right to foreclose the lien thereof and acquire a Unit at the foreclosure sale and to hold, lease, mortgage, or convey the same, but such acquisition shall be on behalf of all Unit owners, all of whom shall be deemed to have waived this right of partition with respect thereto.

SECTION 4. No Avoidance by Waiver of Use; Right of Entry. The liability of a Unit owner for all assessments made by the Board or by the Association may not be avoided by waiver of the use of enjoyment of any common element or any recreational facility or by abandonment of a Unit for which an assessment is made. The Association shall have the right at reasonable times to enter a Unit as may be necessary or advisable to carry out its responsibilities.

ARTICLE IV. VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

SECTION 1. Voting. Voting shall be on the basis to which the owner or owners of each Unit is assigned in the Declaration, namely, one vote for each Unit.

SECTION 2. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of those owners having a majority or more of the votes assigned in the Declaration shall constitute a quorum.

SECTION 3. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

SECTION 4. Adjournment. Any meeting of the Association, whether annual or special, may be adjourned from time to time whether a quorum be present or not without notice other than the announcement at the meeting, and such adjournment may be to such time and to such place as may be determined by a majority vote of the common interests present at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called and notified.

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SECTION 5. Minutes of Association Meetings. The Secretary or Managing Agent shall furnish the minutes of any meeting of the Association when requested in writing by any condominium unit owner.

**ARTICLE V.
MEETINGS OF ASSOCIATION**

SECTION 1. Place of Meetings. Meetings of the Association shall be held in such place convenient to the Co-owners as may be designated by the President.

SECTION 2. Officers. The Board of Directors of the Association shall serve as the officers of the Association. The Secretary or Managing Agent shall keep a minute book wherein the actions taken by the Council shall be recorded.

SECTION 3. Annual Meeting. The first annual meeting of the Association shall be held on January 15, 1996. Thereafter the annual meeting of the Association shall be held on the third Tuesday of February each succeeding year. At such meeting vacancies and expired terms of the board shall be filled by ballot of the owners. The owners may at the annual meeting also transact such other business the Association as may properly come before them. An alternate meeting date may be selected by the Association if necessary for the Annual Meeting.

SECTION 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association upon a petition signed by the owners having a majority of the votes assigned in the Declaration being presented to the Secretary or upon the call of any two (2) Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths (3/4) vote of the owners.

SECTION 5. Notice of Meetings and Other Notices. A written or printed notice of all meetings, annual or special, stating the place, day and hour of the meeting and whether it is annual or special and in case of each special meeting stating briefly the business proposed to be transacted thereat, and any other notices permitted or required to be delivered by these Bylaws shall be given by mailing such notice, postage prepaid, or by Email at least ten (10) days before the date assigned for the meeting or by delivery of such notice personally at least two (2) days before the date assigned for the meeting, to the Co-owners of the condominium units at their address at the Water's Edge Townhomes Condominiums or at the address given to the Board for the purpose of service of such notices. Upon written request for notices delivered to the Board, the holder of any duly recorded mortgage from any owner of a condominium unit may obtain a copy of any and all notices permitted or required to be given to the owner of the condominium unit whose interest is subject to said mortgage. Upon notice being given in accordance with the provisions hereof, the failure of any owner of a condominium unit to receive actual notice

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of any meeting shall not in any way invalidate the meeting or proceedings thereat. Each such Co-owner shall keep the Board informed of any changes in address.

SECTION 6. Waiver of Notice. Before or at any meeting of the Association, any owner may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an owner at any meeting of the Association shall be a waiver of notice by him of the time and place thereof unless the owner is attending the meeting for the purpose of objecting to the meeting because inadequate notice was given. If all the owners are present at the meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

SECTION 7. Adjourned Meetings. If any meetings of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four (24) hours nor more than one (1) week from the time the original meeting was called.

ARTICLE VI. ADMINISTRATION

SECTION 1. Board of Directors - Number and Qualification. The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as "Board").

The Board shall be composed of three (3) persons, all of whom shall be owners or spouses or mortgagees of Condominium Units, or, in the case of corporate owners or mortgagees, shall be officers, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries. Board members shall serve from the time elected to the expiration of their terms, or until their successors are elected. Board members shall be elected for staggered three-year terms with one Board position elected each year. Two Board members shall constitute a quorum for the transaction of business.

Subsequent members of the board of Directors shall be the officers of the Association and will be elected as directed in Article VII of these Bylaws for terms specified in that Article.

SECTION 2. Removal of Directors. Any Director may be removed from office at any time at a special meeting of the Association called for that purpose by a vote by 60% of the Condominium Unit Owners. Another person may be elected in his place to serve for the remainder of his term at a special meeting of the Association called for that purpose, by the affirmative vote of the majority. In case any vacancy so created shall not be filled at such meeting, such vacancy may be filled by the Board as provided in Section 6 of Article V.

SECTION 3. Meetings, Notices. The Board shall hold meetings as often as the business of the Council may require at the call of the President or any two (2) Directors. The secretary shall give notice of each meeting of the Board to the Board members, either orally or in writing by mailing or delivering the same not less than one (1) day before the meeting, unless otherwise prescribed by the Board. The failure by the secretary to give such notice or by any Director to receive such notice shall not invalidate the proceedings of any meeting at which a quorum of Directors is present. Except in extraordinary situations, as may be determined by the Board, any owners may attend any Board meeting, even though they may not actively participate.

SECTION 4. Quorum and Adjournment. Two Directors shall constitute a quorum. No action taken, other than the appointment of Directors to fill temporary vacancies or as otherwise provided in these Bylaws, shall be binding unless it is confirmed by a vote of a majority of the Directors. In the absence of a quorum, the President or a majority of the Directors present may adjourn the meeting from time to time without further notice until a quorum be had.

SECTION 5. Powers and Duties of the Board of Directors. The Board, for the benefit of Co-owners of condominium units, shall have the following powers and duties:

- a. To engage and contract for all goods and services which the Board, in its discretion deems necessary for the proper operation of the premises or as required or permitted by these Bylaws or by law, payment for which will be made from the assessments and service charges paid by the Co-owners in accordance with these Bylaws and as assessed by the Board.
- b. To provide, or cause to be provided, all services, including utility services, used in common or jointly by the common elements, limited common elements and Condominium Units as initially incorporated in the premises, or as shall be incorporated in the premises from time to time in accordance with these Bylaws, payment for which will be made from assessments and service charges as assessed by the Board.
- c. Collection of the assessments from Unit Owners.
- d. To maintain or cause to be maintained detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and other expenses incurred and to make such records and the vouchers authorizing the payments available for the examination by the Owners of the Condominium Units during reasonable business hours.
- e. To render or cause to be rendered annually a statement to the Co-owners of the condominium units of all receipts and disbursements during the preceding

year, and such statement shall be certified by an independent certified public accountant, if requested by a majority of Owners.

- f. To render or cause to be rendered statements, when required by law, of any assessments, which remain unpaid by any Co-owner of the condominium units.
- g. To bring action on behalf of two or more of the Co-owners of the Condominium Units, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one Condominium Unit as the Board deems advisable.
- h. To serve as the officers of the Association as set forth in these Bylaws.
- i. To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.
- j. To designate and remove personnel necessary for the maintenance, repair and replacement of the common elements, and to engage such other services necessary and proper for, and incidental to, the operation of the premises as deemed advisable by the Board.
- k. To engage the service of a managing agent at a compensation established by it to perform such duties and services as it shall authorize, and to delegate any of its powers and duties as provided in this section as the Board deems advisable, provided such delegation shall not conflict with any applicable laws and provided further that any management agreement may be terminated by either party, without penalty, upon ninety (90) days notice.
- l. To procure fidelity bonds covering all officers and employees of the Association handling and responsible for the Association's funds and personal property, and to procure Directors' and Officers' Liability Insurance if the Board deems it advisable. The premiums for such bonds and insurance shall be paid by the Association as common expenses.
- m. To perform any and all duties imposed on the Board by applicable law.
- n. To determine policies and to adopt and enforce restrictions, rules and regulations governing the details of the operation and use of the premises, including the common and limited common elements and to amend such rules and regulations from time-to-time as the Board deems advisable.
- o. To review and approve or disapprove plans submitted for altering or modifying limited or general common elements, including plans for landscaping, or other similar architectural or aesthetic improvements.

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- p. To review, approve and authorize all boat dock equipment and lifts.

To establish and appoint members of temporary and standing committees as may be needed. Examples of such committees include Budget Committee, Architectural and Aesthetics Committee, Insurance Review Committee, and Audit Committee. The appointment of such committees does not permit the Board to abrogate its authority nor its responsibility of approval and management.

SECTION 6. Vacancies, Successor and Substitute Directors. If any permanent vacancy shall occur in the Board through death, resignation, removal or other cause, and unless such vacancy is filled by a special meeting of the Association called for such purpose, the remaining Directors, by majority vote of the remaining Directors shall elect a successor Director to fill such vacancy and to hold office until the next annual meeting of the Owners. At such annual meeting, the Owners shall elect a successor Director to fill such vacancy and to hold office for the remaining portion of the term.

In case of a temporary vacancy due to the absence of any Director from the State of Iowa, or the sickness or disability of any Director, the remaining Directors, by majority vote of the remaining members, may appoint a substitute Director who shall be a Director during such absence or disability and until such Director returns to duty. The determination by the Board, as shown in the minutes, of the fact of such absence or disability and the duration thereof shall be conclusive.

SECTION 7. Compensation of Members of Board. There shall be no compensation paid to members of the Board for acting as such, but they shall be reimbursed for expenses incurred by them.

SECTION 8. Liability and Indemnification of Members of Board. The Directors and officers shall be free from all personal liability for any acts done on behalf of the Association and in the capacity of a Director or officer or for any losses incurred by the Association or the Co-owners of the condominium units unless the same shall have occurred through their willful negligence or misconduct. Every Director and officer shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including attorney fees) imposed upon him in connection with any claim, suit, proceeding or investigation of whatever nature by reason of his being or having been a Director or officer of the Association as common expenses, except as liable for willful negligence or misconduct in the performance of his duties as Director or officer. The foregoing right of indemnification shall inure to the benefit of the heirs, administrators and executors of such person.

ARTICLE VII. OFFICERS

SECTION 1. Election of Officers. The officers of the Association shall be President, Vice President, Secretary and Treasurer. These officers shall also form the Association's Board of Directors. The officers of the Association shall be elected by the Board immediately following the annual meeting of the Association and shall hold office for one-year terms. One Board member shall serve as both Secretary and Treasurer.

SECTION 2. Designation. The Board may appoint an assistant treasurer, and an assistant secretary if in the judgment of the members of the Board, they deem same to be necessary

SECTION 3. Removal of Officers. Any officer may be removed from office at any time at a special meeting of the Association called for that purpose and by a vote by 60% of the Condominium Unit Owners. Another person may be elected in his place to serve for the remainder of his term at any special meeting of the Association called for that purpose, by the affirmative vote of the majority. In case any vacancy so created shall not be filled at such meeting, such vacancy may be filled by the Board as provided in Section 6 of Article V.

SECTION 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board and the Association. The President shall have all of the general powers and duties, which are usually vested in the office of President including but not limited to the power to appoint members to committees from among the owners

SECTION 5. Vice President. The Vice President shall take the place of the President and shall perform said duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon the Vice President by the Board.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the Association; shall have charge of such books and papers as the Board and Association may direct; and shall, in general, perform all the duties incident of the office of Secretary. If the Board has engaged the services of a managing agent, certain duties of the Secretary, including the preparation of meeting minutes, may be delegated to the managing agent.

SECTION 7. Treasurer. The Treasurer shall have the responsibility of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the

credit, of the Association in such depositories as may from time to time be designated by the Board. Expenditures of funds of the Association up to the sum of \$500.00 for any one item may be made by the Treasurer without prior approval of the Board as long as said expenditure was budgeted for; however, an unbudgeted expenditure exceeding the sum of \$500.00 must have the approval of the majority of the Board. Expenditures in excess of these amounts can be made without Board approval in the case of emergencies and the expenditure is made to limit damage, provide public and Owner safety, or other similar benefit. If the Board has engaged the services of a managing agent, duties as specified by the Board may be delegated to the agent.

The Treasurer also shall be responsible for chairing the annual budget committee for the Association.

SECTION 8. Term Numbers. Each elected or appointed officer may serve no more than two consecutive full terms in the same office.

ARTICLE VIII. MANAGING AGENT

Unless prohibited by law, any powers and duties of the Board and officers which are delegated to the managing agent or agents pursuant to these Bylaws, shall be exercised and performed by the managing agent or agents in the place and instead of the Board.

The members of the Board shall not be liable for any omissions or improper exercise by the managing agent or agents of any such powers and duties so delegated by written instrument executed by a majority of the Board.

Any contract between the Board and managing agent shall provide that it can be terminated, without penalty, upon ninety (90) days' notice by either party.

The managing agent or agents shall be an individual, firm, partnership, or corporation authorized to do business in the State of Iowa.

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

All the Units in the Condominium and the common elements shall be owned, used, occupied and enjoyed subject to the provisions of the Declaration of Submission of Property for Water's Edge Townhomes, these Bylaws, all applicable statutes and ordinances, rules and regulations of the Association and the following limitations and restrictions.

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SECTION 1. Specific Covenants & Restrictions. The specific restrictions are:

- a. Condominium Units shall be used and occupied for single family dwelling purposes only. The common elements shall be used only for activities and purposes consistent with the use of single-family residences.
- b. A Condominium Unit may be rented or leased by the Co-owner only if the entire Condominium Unit is rented, the occupancy is only by the lessee and his family, and the Unit is leased for the same purposes as set forth in Paragraph "a" of this Section. A Condominium Unit may be rented or leased by the Co-owner for six months or longer only, and only with the prior written consent of the Board of Directors. No lease shall relieve the Co-Owner and other owners from any responsibility or liability imposed by the condominium.
- c. No owner of a Condominium Unit shall have power to convey, mortgage, pledge, sell or lease such Condominium Unit unless and until, (1) all common charges assessed or accrued have been paid; (2) all unpaid liens against such Condominium Unit in favor of the Association or individual members thereof have been satisfied.
- d. No Condominium Unit Co-owner may paint or add structures or equipment to the exterior, except as specified in Paragraph "q" of this Section.
- e. The Board may approve temporary structures, the same being otherwise prohibited.
- f. No animal or poultry of any kind other than family pets shall be kept. No Unit Owner shall have more than two (2) dogs or two (2) cats and the limit of the two combined shall be three (3). No animal pens, sheds, fences or other out buildings or structures of any kind shall be erected by any Unit owner on any common area.
- g. No activity is allowed which interferes with the peaceful possession and proper use of the property by its Co-Owners, nor shall any fire hazard or unsightly accumulation or refuse be allowed.
- h. Each Condominium Unit Co-owner covenants and agrees with all other Condominium Unit owners to repair and maintain his own Condominium Unit and keep the same in good repair for the benefit of all such other Condominium Unit Owners as may be required and applicable and to pay his share of his separately metered utility expenses.
- i. Each Condominium Unit Co-Owner shall give notice to the Association of every lien against his Condominium Unit other than mortgages, taxes and the Association assessments, and of any suit or other proceeding which may affect

COMPARED

the title to his Condominium Unit, within ten (10) days after the lien attaches or the owner receives notice of such suit.

- j. A Condominium Unit owner shall be liable to the Association for the expenses of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of his family, guests, employees, agents or lessees, which liability shall include any increase in insurance rates resulting therefrom.
- k. No noxious or offensive activity shall be carried on at any unit, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.
- l. No sign of any kind shall be displayed to the public view on any unit except a sign of not more than five (5) square feet advertising the property for sale, signs used by a builder to advertise the property during the construction and marketing period, and up to three political signs of no more than five (5) square feet within eight weeks of an election.
- m. No unit shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in approved containers. All equipment for the storage or disposal of trash and discarded items and such material shall be kept in a clean and sanitary condition out of public view. No excess or unused building material or materials shall be kept, stored, or otherwise maintained on any unit in a location within public view, other than for use or uses connected with construction.
- n. No motor vehicle, boat, trailer, personal watercraft, all terrain vehicle, motorcycle or other item shall be repaired or stored for over a period of five (5) days on property of owner, driveway, or upon the Common Elements except in the garage. No such items shall have mechanical work performed on them or be worked on in any manner and be left on the streets or parking area for more than a period of five (5) days at any one time within any thirty (30) day period.
- o. Owners shall not give the access code to the front gate to the property to the general public nor allow the gate to remain open to allow unrestricted access to the property.
- p. No Co-owner shall perform any landscaping or plant any trees, shrubs or place ornamental materials upon the Common Elements without the written approval of the Board.

- q. No outside television antenna or other antenna, or aerial saucer, dish or similar device shall be placed, constructed, altered or maintained on any Unit, unless the Board approves same in writing, and provided, that not more than one satellite communications dish not exceeding eighteen (18) inches in diameter is installed on a Unit and is subject to reasonable requirements of the Association concerning screening and location in order to make it unobtrusive. The Board shall have final decision making authority on whether such dish is placed so that it is "unobtrusive".

SECTION 2. Easements and Licenses. Easements and licenses for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these areas no structure, planting or other material shall be permitted to remain which may damage or interfere with the installation and maintenance of utilities, access to meters, shut off valves and other things, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement and license area of each unit and all improvements in it shall be maintained continuously by the owner of the unit, except for the improvements for which a public authority or utility company is responsible. Service areas are for the purpose of allowing the utilities access to meters, shut off valves and other things associated with the service provided by the utilities.

An express easement is also hereby dedicated to the Association over any patio, courtyard or other exterior premises or within any dwelling unit for purpose of access or maintaining the exterior of the structure including, but not limited to roofing, gutters, flashing, shutters and exterior or party walls.

SECTION 3. Nondiscrimination. The covenants and restrictions contained herein are in no way intended to be used or to be interpreted so as to discriminate on the basis of race, color, creed, sex or national origin.

SECTION 4. Duration. The covenants and restrictions herein shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Board, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of thirty (30) years from the date this declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then-owners of three-fourths (3/4) of the units has been recorded, agreeing to change said covenants and restrictions in whole or in part.

ARTICLE X. MAINTENANCE, ALTERATION AND IMPROVEMENT

SECTION 1. Terms. Although the same are not susceptible to precise delineation, and the use of one shall not be deemed to exclude the applicability of another unless

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specifically so stated or required by the content, certain terms are employed in this Article as follows: "Maintenance" is generally used to include all repair, renovation, restoration, reconstruction, or rebuilding as may be necessary to maintain the condominium units and condominium property in the same or better condition as when this declaration is adopted; "Alteration" relates to changes from such state other than maintenance; "Improvement" relates generally to the addition of new structures, elements, or facilities other than those referred to in this or any supplemental declaration. The provisions of this Article are applicable where the work done or required is not caused by a specific casualty, i.e., "wear and tear", but shall also apply in the event of maintenance, alteration or improvement necessitated by casualty or condemnation unless different provisions are specifically made in the condominium documents dealing with such contingencies.

SECTION 2. Maintenance by The of Co-Owners of Water's Edge Townhomes Condominiums. Except as may be provided elsewhere, this Section and Section 3 assign the responsibilities of repair for the Condominium Development.

- a. All common elements and facilities, limited or general, shall be maintained by the Association as a common expense unless responsibility is otherwise imposed on the Owner as in Section 3 of this Article or otherwise.
- b. Incidental damage caused to an Unit through maintenance by the Association shall be repaired by the Association as a common expense.
- c. If an owner defaults in his responsibilities of maintenance, the Association shall assume the same as a common expense and levy a special assessment against the Unit collectible as other assessments.
- d. All elements shall be considered common and maintained by the Association except those specified under Section 3 of this Article, Maintenance by Owner or Co-owner,
- e. Common elements for which the Association has the maintenance and repair responsibility include, but are not limited, to the following: seawall, sidewalks installed by the developer, roadway, entryway, gates, perimeter fencing, driveways, lawns, sprinkler systems, roofs, exterior painting of exterior doors, docks installed by the developer, foundations, exterior walls, trees, landscaping installed by the developer and the Association, and, in general, all of the devices, installations and improvements existing for the use of all the unit Owners. Also included as general common elements, the repair of which is the responsibility of the Association, are compartments or installments of central services for public utilities and any common facilities or equipment for lighting, telephone and other such services. The Association is also responsible for snow removal from the roadway, original sidewalks, driveways and front porches.

SECTION 3. Maintenance by Owner or Co-Owner. The Owner of a Condominium Unit (hereinafter referred to as owner) at owner's expense shall keep the interior as well as all fixtures and appliances located therein, of each condominium unit and garage unit appurtenant thereto in good order and repair and shall be responsible for any damage or loss caused by failure to observe or perform this covenant. Owners shall have the responsibility for the maintenance and replacement of following limited common elements and other elements:

- a. All exterior doors, glass and screen portions of windows, and the mechanical operators thereof appurtenant to an individual Unit.
- b. Heating units, furnaces, air conditioning units, and plumbing fixtures which are limited common elements and for the use and possession of an individual Unit.
- c. Limited common elements such as patios, decks, balconies, overhead garage doors that are exclusively for the use and possession of an individual Unit.
- d. Any improvements or alterations subsequently added by an owner including foundation plantings, landscaping and docks. Responsibility for such improvements shall pass to subsequent buyers of individual units.
- e. Any personal property of an individual Unit such as carpet, furnishings, appliances, wall finishing, tile, and electrical fixtures.
- f. Sump pumps, fireplace combustion chambers, and similar equipment that exist for the use and possession of an individual Unit.
- g. Any damage to the common elements caused by an Owner due to his negligence.
- h. Damage to the seawall due to boats or other equipment tied to them in violation of Rules and Regulations.

It shall be owner's duty to perform said maintenance without disturbing the rights of other Condominium Unit owners and to report promptly to the association any defects or need for repairs which are the initial responsibility of the Association or as to which the Association otherwise has authority to maintain.

Each Owner shall have the right, at owner's sole cost and expense to paint, paper, plaster, tile finish and to do other such work on the interior surfaces of the ceilings, floors and walls, to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls, and to finish, alter or substitute any plumbing, electrical or other such fixtures attached to said ceiling, floors or walls, provided, however, that this section shall not be construed as permitting interference with or damage to the structural integrity of the building or interference with the use and enjoyment of the premises by other owners nor shall it be construed to limit the intent expressed in Section 1 of this Article X.

SECTION 4. Maintenance Involving More Than One Condominium Unit. If maintenance is required involving maintenance, repair, renovation, reconstruction, restoration, or rebuilding of more than one Condominium Unit, the Association, in order to provide centralized direction, may assume supervisory responsibility therefor and provide for such supervisory expense as a common expense.

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SECTION 5. Alteration of Improvements by Condominium Unit Owner or Co-Owner. No Condominium Unit owner shall make any structural alteration or improvement to owner's Condominium Unit or any common element therein or facility or remove any portion thereof until after 90 percent of all condominium units have been sold by the Developer, then thereafter only with the approval of the Association hereinafter provided. An owner desiring to make such alterations must apply to the Board in writing for permission to do so and shall submit sufficient plans and specifications to enable the Board to make a full evaluation of the proposed alteration or improvement, and in any event, no such alteration or improvement shall be made unless the Board shall specifically approve the design and safety thereof. No work by an owner may be permitted which may jeopardize the soundness of the building. Any alteration or improvement of an Condominium Unit shall not increase the undivided interest of any owner in the common elements or the appurtenances to the Condominium Unit. The precessions of this Section 5 shall not apply to units owned by the Developer until such units shall have been initially sold by the Developer and paid for.

SECTION 6. Alterations and Improvements by Council of Co-Owners. There shall be no alterations of the Condominium Unit building or garage units nor further improvements added to the buildings or garage units nor further improvements added to the lands or common elements or Condominium Unit units by the Association except upon the question being put to a vote of the Association and such may be done only if 75 percent of the Co-owners vote in favor thereof. An alteration or improvement pursuant to this paragraph shall not alter the interest appurtenant to each Condominium Unit in the common elements and such interest shall remain as before irrespective of whether the owner voted in favor of or against the alteration or improvement.

SECTION 7. Limitation on Access and Use. During the development phase of this project, Owners shall have no right of access to or use of undeveloped common areas that have not been designated to the Condominium Association pursuant to Article XI, Section 1 of these Bylaws, this restriction shall terminate as to the property so designated by the Developer, but shall remain in full force and effect as to all other common areas not so designated.

ARTICLE XI. OBLIGATIONS OF THE OWNERS

SECTION 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Board or the Association to meet all common area expenses, including liability insurance premiums and insurance premiums for casualty losses. Assessments will be the same amount for each Unit.

Such assessments may include monthly payments to a general operating reserve fund, part of which may be allocated to a reserve fund for contingencies. Each owner will

voluntarily pay said monthly assessment to the Association or its managing agent and upon failure to do so, shall be subject to the provisions of Section 2 of this Article. Before they become delinquent, all owners shall pay the real property taxes and special assessments which will be levied on their respective Condominium Units under the provisions of Section 499B.11 of the Code of Iowa.

All utilities used in each Condominium Unit shall be metered separately and the expense of said utilities shall be paid by the owner of the Condominium Unit directly to the supplier or suppliers thereof.

SECTION 2. Lien Against Owner of Unit. All sums assessed by the Board but unpaid for the share of the common expenses chargeable to an Condominium Unit shall constitute a lien on such Condominium Unit prior to all other liens except only (1) tax liens on the Condominium Unit in favor of any assessing unit and special district, and (2) all sums unpaid on a first mortgage of record. Such lien may be foreclosed by suit by the Board or the representatives thereof, acting on behalf of the Condominium Unit owners, in like manner as a mortgage of real property. In the event of any such foreclosure, the Condominium Unit owner shall be required to pay a reasonable rental for the Condominium Unit, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The Board or the representatives thereof, acting on behalf of the Condominium Unit owners, shall have the power to bid on the Condominium Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 3. Liability of Grantor and Grantee for Unpaid Common Expenses. In a voluntary conveyance, the grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee shall be entitled to a statement from the Board setting forth the amount of the unpaid assessments against the grantor for such share, and neither such grantor nor such grantee shall be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments for common expenses and Condominium Unit expenses against the grantor in excess of the amount therein set forth.

SECTION 4. Right of Entry. An owner shall grant the right of entry to the management agent or to any other person authorized by the Board in case of any emergency originating in or threatening an owner's Condominium Unit, whether the owner is present at the time or not.

An owner shall permit Association members, or their representatives, when so required, to enter his Condominium Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made

in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

SECTION 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized herein the Board 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 or reconstruction, unexpected repair or replacement of a described capital improvement upon the common properties, including the necessary fixtures and personal property relating thereto, provided that any such assessment shall have the assent of three-fourths (3/4) of the vote of the Association who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

SECTION 6. Easements for Encroachments - Units and Common Easements. In the event any portion of the common elements encroaches upon any unit or any unit encroaches upon the common elements or another unit as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

ARTICLE XII. BOOKS AND RECORDS

SECTION 1. Books and Records. The Association shall keep all appropriate books and records to accurately show the financial position of the Association and its legal obligations.

SECTION 2. Availability. The Association shall make available to Unit owners, lenders and the holders and insurers of the first mortgage on any unit, current copies of the Declaration, Bylaws and other rules governing the condominium development, and other books, records and financial statements of the Association. The Association also shall make available to prospective purchasers current copies of the Declaration, Bylaws, other rules governing the condominium, and the most recent annual audited Financial Statement, if such is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

ARTICLE XIII. INSURANCE, DAMAGE OR DESTRUCTION

SECTION 1. Fire Insurance. The Association shall procure and maintain from a financially responsible company or companies qualified to do business in Iowa (and, if necessary to procure the required coverage, from other companies) a policy or policies

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(herein called "The Policy") of fire insurance, with extended coverage endorsement, for as nearly as practicable to one hundred percent (100%) of the insurable replacement cost value of the building and/or structures and/or building service equipment without deductions for depreciation (such value to be determined annually by the Board and to exclude property of every kind and description which underground - meaning thereby, below the level of contiguous ground and covered by earth, or below the level of the lowest basement floor of the buildings and/or structures - except underground conduit or wiring therein when beneath the buildings and/or structures which are covered herein) in the name of the Association as insured as trustee for each of the owners of the condominium units in proportion to their respective common interests in the common elements. Such policy:

- a. Shall contain no provision limiting or prohibiting other insurance by the Co-owner of any Unit and shall prove that the liability of the insurer shall not be affected by, nor shall the insurer claim any right of set-off, counterclaim, apportionment, pro-ratio, or contribution by reason of, any such other insurance.
- b. Shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board, or if obtainable, shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board or the Co-owner or tenant of any unit, or by reason of any act or neglect of the Board or the Co-owner, or tenant of any Condominium Unit.
- c. Shall provide that the policy may not be canceled (whether or not requested by the Board) except by giving to the Board and to the owner of each Condominium Unit and the holder of any recorded mortgage who shall have requested such notice of the insurer in writing addressed to him at the premises, thirty (30) days' written notice of such cancellation.
- d. Shall contain a provision waiving any right of subrogation by the insurer to any right of the Association against the Co-owner or lessee of any Condominium Unit. Shall contain a provision waiving any right of the insurer to repair, rebuild and replace, if a decision is made pursuant to section 6 (B) if this Article XIII not to repair, reinstate, rebuild or restore the damage or destruction.
- e. Shall contain a standard mortgage clause which:
 1. Shall name the holder of any mortgage affecting any Condominium Unit whose name shall have been furnished to the Board.

2. Shall provide that the insurance as to the interest of the mortgagee shall not be invalidated by any act or neglect of the Board or the owner, Co-owner, or tenant of any Condominium Unit.
3. Shall waive any requirement invalidating such mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premiums (provided, however, in case the Board shall fail to pay the premium due or to become due under the policy, the mortgagee may pay the same prior to the effective date of the termination of the policy), any contribution clause, and any right to be subrogated to the rights of any mortgagee against the owner. Co-Owner or lessee of any Condominium Unit or the Board or to require an assignment of any mortgage to the insurer, except that the insurer will have the right of subrogation to the extent of insurance proceeds received by and retained by the mortgagee if the insurer shall claim no liability as to the mortgagor or owner, Co-owner but without impairing mortgagee's right to sue.
4. Shall provide that without affecting the protection afforded to the mortgagee by such mortgagee clause, any proceeds payable under such clause shall be payable to the Association or to an Insurance Trustee as provided by the Bylaws; and,
5. Shall provide that any reference to a mortgage in the policy shall include all mortgages on any unit, in order of preference.

SECTION 2. Public Liability Insurance. The Board shall procure and maintain from a financially responsible company or companies qualified to do business in Iowa, (and, if necessary to procure the required coverage from other companies) a policy or policies (herein called "The Policy") of Public Liability Insurance to insure the Board, each Unit owner as the owner of the common interest, and the Managing Agent or agents and other employees of the Association against claims for personal injury and property damage arising out of the existence of premises or operations or contractors or construction work under a Comprehensive General Liability form to include (1) coverage of Automobile Liability for owned-hired or non-owned automobiles, (2) Water Damage Legal Liability and (3) Fire Damage Legal Liability. Said insurance shall name owners, and employees as aforesaid as additional insured, it being understood and agreed that the insurance will exclude coverage for the personal activities of owners, of the Condominium Units and employees as aforesaid, and for liability arising out of the ownership of individual Condominium Units. Said insurance shall be for such limits as the Board may decide. Such policy:

- a. Shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board, or by any breach of warranty or

condition caused by the Co-owner of any Condominium Unit, or by any act or neglect of the owner or tenant of any Condominium Unit.

- b. Shall provide that the policy may not be canceled (whether or not requested by the Board) except by giving to the Board and to the Co-owner of each Condominium Unit who shall have requested such notice of the insurer in writing addressed to him at the premises, thirty (30) days' written notice of such cancellation.

SECTION 3. Additional Insurance. The Board may also procure insurance against such additional risks as the Board may deem advisable for the protection of the Condominium Unit owners of a character normally carried with respect to such properties.

SECTION 4. Insurance Review. The Board shall review or have reviewed not less frequently than annually the adequacy of its insurance program and shall report in writing the Board's conclusions and action taken on such review to the owner of each Condominium Unit, and to the holder of any mortgage on Condominium Unit who shall have requested a copy of such report. At the request of any mortgagee of any Condominium Unit, the Board shall furnish to such mortgagee a copy of the Policy described in Section 1 and of any policy to which a mortgagee endorsement shall have been attached pursuant to paragraph (f) of Section 1. Copies of every policy of insurance procured by the Board shall be available for inspection by any Condominium Unit owner (or contract purchaser) at the office of the Managing Agent or agents.

SECTION 5. Owner's Insurance. Any such coverage procured by the Board shall be without prejudice to the right of the owners of the Condominium Unit to insure such Condominium Unit and the contents thereof for their own benefit at their own expense. Neither the association nor the Board will provide insurance coverage for the contents of a unit. Insurance coverage on furnishings and other items of personal or other property belonging to an owner and public liability coverage within each Unit shall be the sole and direct responsibility of the Unit owners thereof. All policies of insurance carried by owners shall contain waivers of subrogation.

SECTION 6. Damage, Destruction and Replacement.

A. In the event of damage to or destruction of all or any part of the building, all available insurance proceeds, including proceeds received from damage to building on any policy taken out by the Association or the Board shall be held in trust by the Board or, in any cause described in subparagraph (C) of this Section 6, by the Insurance Trustee, to repair, reinstate, rebuild, or replace the building (herein called "the work") in accordance with the original plans and specifications or if the work according to the original plans and specification is not permissible under the applicable laws and regulations, then in accordance with other plans and specifications prepared by the Board, on behalf of all owners, and approved by the owners of not less than a majority in interest of the common interests in the premises. In the event of any deficiency between said insurance proceeds and the cost of the work, each owner of a Condominium Unit shall pay his proportionate

share of said deficiency as common expenses. The Board shall have the authority as agent of all owners, to enter into contract or contracts to accomplish the work.

B. Nevertheless in the event that, after damage to or destruction of all or any part of the building, the Board and the owners of not less than fifty-one percent (51%) of the common interests shall determine that such damage or destruction shall not be rebuilt, repaired or restored, or in the event substantial damage to or destruction of the common elements shall not have been rebuilt, repaired or restored within a reasonable time after occurrence thereof, the premises shall be subject to an action for partition by any owner of a common interest or lien or as if owned in common, in which event the premises shall be sold and the net proceeds of sale, together with the net insurance proceeds, shall be considered as one fund and shall be divided among all Condominium Unit owners in proportion to the respective common interests, provided that no payment shall be made to a Unit owner until there has been payment from his share of such net proceeds of all liens on his unit and the premises shall be removed from the horizontal property regime.

C. Except in the circumstances described in subparagraph (2) of this paragraph, if the cost of the work (as estimated by the Board) shall exceed \$10,000.00 and the holder of any mortgage or mortgages on any Condominium Unit so affected (herein called "the mortgagee") shall so require, all proceeds of insurance shall be paid over not to the Board but to a trust company authorized to do business in Iowa and selected by the Board (herein called "the Insurance Trustee") and shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

1. The work shall be in the charge of an architect or engineer (who may be an employee of the Board) and before the Board commences any work, other than temporary work to protect property, the mortgagee shall have approved the plans and specifications for the work to be submitted by the Board, which approval shall not be unreasonably withheld or delayed.
2. Each request for payment shall be made on seven (7) days prior notice to the Insurance Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating:
 - a. That all the work completed has been done in compliance with the approved plans and specifications.
 - b. That the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractor, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials); and,

- c. That when added to all sums previously paid out by the Insurance Trustee the sum requested does not exceed the value of the work done to the date of such certificate.
3. Each request shall be accompanied by waivers of liens satisfactory to the Insurance Trustee covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that there has not been filed with respect to the premises any 'mechanics' or other lien or instrument for the retention of title in respect of any part of the work not charged of record.
 4. The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal.
 5. The fees and expenses of the Insurance Trustee as determined by the Board of the Insurance Trustee as determined by the Board of the Insurance Trustee shall be paid by the Council as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Insurance Trustee.
 6. Such other conditions not inconsistent with the foregoing as the Insurance Trustee may reasonably request.

Upon the completion of the work and payment in full therefor, any proceeds of insurance then or thereafter in the hands of the Board or the Insurance Trustee shall be paid or credited to the owners of the Condominium Units (or to the holder of any mortgage on a Unit if there be a mortgage) in proportion to their respective common interests.

ARTICLE XIV. OTHER PROVISIONS

SECTION 1. Covenant to Obey. The Owner of each Condominium Unit shall be subject to the Horizontal Property Act and the Declaration filed pursuant to said Act and shall abide by the Bylaws and Rules and Regulations as the same are or may from time to time be established by the Board.

The Co-Owner of each Condominium Unit shall observe, comply with, and perform all rules, regulations, ordinances and laws made by the Board of Health and any other governmental authority of the municipal, state and federal government applicable to the premises.

The foregoing paragraph shall apply to all Co-owners of the Condominium Units, tenants of such owners, employees of owners and tenants, and any other persons who may in any manner use the premises or any part thereto.

SECTION 2. Restrictions, Rules and Regulations. Rules and regulations governing the details of operation and use of the Regime's common elements shall be adopted by the Board of Directors and then, from time to time, amended by a sixty (60%) percent vote of the of all Co-owners at any annual meeting, or special meeting called for the purpose of voting on proposed changes to the rules and regulations. Amendments to the rules and regulations can be proposed to the Board of Directors at any time. Such proposed amendments shall be in writing and signed by no fewer than Owners of two Units. The Board, upon notice of such written request, shall publicize the request in advance of the next annual meeting, or a special meeting. If the annual meeting is not scheduled to take place within six months from the date of the request, or if less than six months remains to the annual meeting and the request is determined by the Board to be more urgent, the Board shall call a special meeting for the purpose of voting on the requested amendment.

Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners after adoption; provided, however, that any rules and regulations, and amendments thereto duly adopted shall be binding upon all persons who have an interest in the Regime irrespective of whether such persons actually receive a copy of the rules and regulations.

SECTION 3. Notices. Except as otherwise provided in these Bylaws, any notice permitted or required to be given to the owner of a Condominium Unit may be given in writing personally to such owner or to any one of them if such owner is more than one person, or deposited in the United States mail, postage prepaid, addressed to such owner at this most recent address as it appears in the records of the Board, and said notice shall be deemed to be delivered when delivered personally as aforesaid or deposited in the United State mail as aforesaid.

SECTION 4. Transfer From Developer. Developer may transfer control to the Association of Co-Owners of so much of the total common areas as Developer may designate and such designation shall terminate the Developer's responsibility for the designated common areas and the building including but not limited to the payment of assessments. The Association shall after said designation assume responsibility for said designated common areas. Sale of a Unit and recording of a deed to a Unit shall constitute a transfer of the Unit and the Owner shall assume all responsibilities relating to the Unit and limited common area thereafter. The Developer's responsibility for the said Unit and limited common area shall terminate upon sale and recording of a deed to a Unit.

ARTICLE XV. AMENDMENTS

Amendments to the Bylaws shall be proposed and adopted in the following manner:

SECTION 1. Proposal. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or may be proposed by 2/5 or more of the Co-owners by instrument in writing signed by them.

SECTION 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called and written notice given in accordance with the provisions of these Bylaws.

SECTION 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or at a special meeting called for such purpose by an affirmative vote of not less than 60% (sixty percent) of *all* Co-owners. No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 65% (sixty five percent) of mortgagees shall be required with each mortgagee to have one vote for each mortgage held.

SECTION 4. By Developer. Prior to the transition of the development to the control of homeowners, these Bylaws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a Co-owner or mortgagee.

SECTION 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Pottawattamie County Recorder's Office.

SECTION 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Development irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVI. ENFORCEMENT

The violation of any rule or regulation adopted in accordance with these Bylaws or the breach of any of these Bylaws, covenants and restrictions, or the breach of any provisions of the Declaration of Horizontal Property Regime, shall give the Board the right, in addition to any other rights set forth in these Bylaws:

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- a. To enter into the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty, in any manner, of trespass.
 - b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.
 - c. To deny partially or wholly access to, benefit from, or use of all or any facilities, functions, or services, or suspend, partly or wholly, all or any rights or privileges of membership, or to take any other disciplinary action directed by the Board.
 - d. To charge the owner in breach or violation any legal fees incurred by the Board in order to enforce Covenants, Restrictions, Rules and Regulations.

**ARTICLE XVII.
COMPLIANCE AND SEVERABILITY**

These Bylaws are set forth to comply with the requirements of Chapter 499B of the Code of Iowa. In case any of these Bylaws conflict with the provisions of said statutes or any other rule of law, it is hereby agreed and accepted that the provisions of the statute or law will apply and Bylaws conflicting therewith will be deemed inoperative and null and void, until duly amended, without invalidating the remaining Bylaws.

The foregoing were adopted this 28th day of March, 2000, by the owners of all units as the Bylaws applicable to Water's Edge Townhomes Condominiums Association, Inc.

WATER'S EDGE TOWNHOMES
CONDOMINIUMS ASSOCIATION, INC.

BY: 
Barbara F. Piper
Its: President

BK101PG01561

CONTINUED

ACKNOWLEDGEMENT

STATE OF Nebraska)
COUNTY OF Douglas) ss.



On this 24th day of May, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Barbara F. Piper, to me personally known, who being by me duly sworn, did say that she is the President of said Water's Edge Townhomes Condominiums Association, Inc., executing the within and foregoing instrument; that said instrument was signed on behalf of said Association by authority of its members; and that the said Barbara F. Piper as such President acknowledged the execution of said instrument to be the voluntary act and deed of said Association by it and by her voluntarily executed.


NOTARY PUBLIC IN AND FOR SAID STATE