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RECORDER
MADISON COUNTY, IOWA

PREPARER
INFORMATION JOHN E. CASPER 223 E. COURT AVENUE WINTERSSET, IA 50273 515-462-4912

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SAWYERS TOWNHOUSES

THIS DECLARATION, is made on the date set forth below, by Steven C. Sawyers and Amy Sawyers, hereinafter referred to as the "*Declarant*", pursuant to the Iowa Horizontal Property Act (the Act), Iowa Code Chapter 499B.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Winterset, County of Madison, State of Iowa, which is more particularly described as:

Lots One (1) and Two (2) in Block Seven (7) of the Original Town of Winterset, Madison County, Iowa, except that part thereof included in the 40-foot right of way of the Chicago, Rock Island & Pacific Railroad Company over and across the same, the South line of which is described as commencing at a point 40 feet South of the Northeast corner of said Lots and running and running thence in a Northwesterly direction until it leaves said lots, as now surveyed and located.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and 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 shall inure to the benefit of each owner thereof, all pursuant to Iowa Code Chapter 499B as that Code Chapter now or hereafter provides.

Now, therefore, Declarant, the fee simple titleholder to the property described above, expressly intends to, and by recording this Declaration, does hereby submit the land and the Property to the Townhouse Regime pursuant to the Act.

ARTICLE I. NAME.

The name of the Townhouse Regime (the Regime) is the North Street Townhouse Association.

ARTICLE II. DEFINITIONS.

Section 1.

"Association" shall mean and refer to North Street Townhouse Association, Inc., its successors and assigns.

Section 2.

"Building Plot" shall mean the one or more sublots shown on the plat of survey attached as Exhibit "B" as lettered parcels with the common boundary of adjoining Building Plots locating the common wall connecting the Units upon the Building Plots.

Section 3.

"Common Wall" shall mean the dividing wall which straddles the boundary lines between Building Plots and all walls which serve two or more Units shall at all times be considered party walls. The costs of maintenance, repair or replacement of the party walls shall be borne equally by the Owners of the Units served thereby.

Section 4.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, except that a vendee in possession under a recorded contract of sale of any Unit shall be considered the owner instead of the contract seller. Those having an interest merely as security for the performance of an obligation shall not be considered an Owner.

Section 5.

"Property" shall mean and refer to that certain real and personal property hereinbefore described submitted to the Regime, and such additional real property which includes Lots as may hereafter become subject to the Association or hereafter become Common Area..

Section 6.

"Common Area" shall mean the entire townhouse property, exclusive of all Units except for the apparatus located within a Unit and serving a purpose benefitting other parts of the Regime. The common elements include, without limitation other than set forth above, the following:

- a) The land surrounding and upon which the building is located which is legally described above;
- b) All sewer, water, electrical, gas, telephone or other utility or service lines, pipes, wires, conduits, equipment, and other apparatus either serving more than one Unit or located within one Unit which serve a purpose benefitting any other part of the Regime outside such Unit;
- c) All improvements, installed, constructed or erected upon the land; and,

d) All funds and assets of the Association.

The Common Areas and any improvements thereon, if any, shall be conveyed to the Association.

Section 7.

“Lot” shall mean and refer to the numbered Lots as shown upon any recorded subdivision plat within the properties.

Section 8.

“Common Element Responsibility” shall include without limitation, whether located within a Unit or upon the Common Area, to the extent serving a purpose benefitting any other part of the Townhouse Regime, the following:

(a) The yard, trees and shrubbery surrounding the residential structure upon a Lot, the yard, trees and shrubbery on any common area, and the sidewalks.

(b) Driveways.

(c) The fences constructed by the Declarant or Association and owned by the Association.

(d) The common roof and gutter system and siding installed upon or attached to the Units.

Section 9.

“Unit” shall mean the portion of the building described and identified in Sections 3 and 4 of Article III below. Each Unit shall consist of a residential and garage part.

ARTICLE III. LOCATION, BUILDING, SURVEY AND PLANS.

Section 1.

The Regime is situated at 320 North Third Avenue, Winterset, Madison County, Iowa.

Section 2.

The legal description of the parcel of real property submitted to the Regime is shown above and is referred to as the “Land”.

Section 3.

The building to be constructed on the Land is two connected Units sharing a common wall with about 1,200 square feet of space each and an attached one-car garage for each Unit. Each townhouse shall be one story, with a full basement, predominantly frame construction, and vinyl siding. Each Lot is divided by a Plat of Survey into two parcels, such that a common wall for two adjoining townhouses is constructed on the boundary line separating the two Units. Each townhouse shall have a house number, assigned as a street number by the City of Winterset on Third Avenue. There are no limited common elements and facilities on this property. The boundary of each Unit shall consist of the space contained within the following described boundaries: a) below the

undecorated surface of the Unit ceiling; b) above the basement concrete floor; c) Within the undecorated interior surfaces of the perimeter walls (including doors and windows) of the Unit as outlined in the building floor plans shown as Exhibit "A" attached hereto. Each Unit shall include, within the space it occupies, decorative surfaces, finished floor coverings, interior walls, partitions and doors, lighting fixtures, plumbing fixtures, individual heating and air conditioning units, and all other equipment, fixtures and materials not otherwise defined as part of the common elements. Each Unit shall also include any equipment located outside its boundaries which constitutes an integral operating part of the heating and cooling system contained within its boundaries. Exhibit "A" shows the Building Floor Plans and the Units designated by number.

Section 4. A duly certified Plat of Survey of the real estate is attached as Exhibit "B". Such Exhibits contains and such contents shall govern for purposes of this Declaration and the Act the requirements concerning the dimensions, area and location of the common elements affording access to each unit; the full and exact copy of the Plans of the building graphically showing common elements; and, the unit number of each Unit, statement of its location, approximate area, number of rooms and other data necessary for its proper identification.

ARTICLE IV. PROPERTY RIGHTS AND MAINTENANCE

Section 1. Owners' Rights of Enjoyment.

Each Unit owner shall have the right to use the common elements in common with all other Unit owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit by such Unit owner(s). Such right to use the common elements shall extend to not only each Unit owner, but also to their agents, servants, family member, customers, invitees and licensees. However, such rights to use the common elements shall be subject to and governed by the Act, this Declaration, Bylaws and the Rules and Regulations of the Association. In addition, the Association shall have the authority to grant easements with respect to parts of the common elements, subject to the provisions of the Declaration and Bylaws. All income derived by the Association from all sources shall be held and used for the benefit of the members of the Association pursuant to the Rules and Regulations of the Association as the Board may adopt or prescribe.

Section 2. Common Elements Responsibility.

The Association and its designates may enter upon or within a Unit including the residential structure located thereon at reasonable times for the following purposes:

- (a) Installation, repair, maintenance, removal, replacement or inspection of an Association Common Element Responsibility.
- (b) Enforcement of any provision of this Declaration or the Articles of Incorporation or the By-Laws of the Association.

Section 3. Maintenance.

The Association shall be responsible at its costs for maintenance of the Common Elements Responsibility. Each owner shall be responsible at their cost for maintenance of their Unit and all structures, improvements and equipment thereon, except for the Common Elements Responsibility. Subject to the Association's approval, the Unit owner shall be responsible for the repair, maintenance, and replacement of all exterior doors and windows including any storm doors and the deck. The Association through its Rules and Regulations shall have control of the exterior appearance of the Units and be able to specify the quality of any repair, maintenance and replacement of such improvements on the Land. The general purpose of the Association control is to ensure all exterior repairs and replacements restore the Units to original appearance and condition.

(a) Landscaping. Landscaping shall be installed by the Association. All landscaping areas shall be maintained by the Association. No landscaping elements shall be removed unless diseased or substantially damaged by wind, lightning or other natural forces. All diseased or substantially damaged landscaping elements, plantings or materials shall be promptly replaced with reasonably comparable items, unless the Association decides to change the landscaping. All lawn areas and all shrubs and trees located thereon, which are installed by the Declarant, its successors and assigns, shall be maintained, mowed and trimmed on a regular basis. The Association shall have the power to change landscaping elements from what is originally installed. Owners may not plant vegetable gardens in rear or side yards.

(b) Maintenance of Improvements. All fences, walls and other improvements owned by the Association shall be maintained, repaired and replaced by the Association. Any lighting installed by Declarant, its successors and assigns, shall be maintained in good operating order by the Association.

(c) No Nuisance. The Association shall not allow any of the improvements or any fences owned by the Association to become a nuisance through lack of repair, maintenance or replacement.

Section 4. Townhouse Units damaged or destroyed.

If two townhouses, with a common wall, are damaged or destroyed, in whole or part, the owners of both townhouses must mutually agree on whether or not to rebuild, repair or restore them.

Section 5. Common Expenses.

Each Unit shall have an undivided one-half (1/2) interest in the common elements and common expenses of the Association. The ownership interest in the common elements shall be an undivided interest, and the common elements shall be owned by the Unit owners as tenants in common in accordance with their respective percentage of ownership. The ownership of each Unit shall not be conveyed separate from the undivided ownership in the common elements corresponding to each Unit. The undivided ownership in the common elements corresponding to each Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering each Unit may refer only to the title to that Unit, or may refer to an incorrect percentage for that Unit.

Section 6. No Partition.

The common elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership thereof so long as the Property is subject to the Act, and, in that event, all Mortgages must be paid in full prior to bringing an action for partition or the written consent of all Mortgagees must be first obtained.

ARTICLE V. MANAGEMENT, ADMINISTRATION AND VOTING RIGHTS.

Section 1.

The management and administration of the Property shall be governed and managed by the Association. Copies of its Articles of Incorporation and of its Bylaws are attached hereto as Exhibits "C" and "D". 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 Association. The action of the Association shall constitute the action of the Unit owners whenever such action is permitted or required by this Declaration or by the Act. The Association shall have the authority to adopt and amend reasonable Rules and Regulations governing the use of the property and such Rules shall be observed and obeyed by the owners, their guests, and licensees. Such Rules after being properly adopted shall have the same force and effect as if contained in this Declaration. The initial Rules and Regulations promulgated by the Declarant shall be deemed properly adopted by the Association without any formal action.

Section 2.

Every Owner of a Unit which is subject to assessment shall be a member of the Association. Membership is mandatory and shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment.

Section 3.

All Owners shall be entitled to one vote in the Association for each Unit. When more than one person holds an interest in any Unit, all such persons shall be members. This vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit. Each vote shall be 1/2 of the total votes with one vote for each Unit shown on the record Plat of Survey.

Section 4.

Notwithstanding any other provision of this Declaration, the Declarant, its successors and assigns, shall be the sole voting member of the Association until Declarant no longer owns any portion of the Properties, or until Declarant waives, in writing, this right to be the sole voting member, whichever first occurs. While the sole voting member, the Declarant, its successors and assigns, shall have the right to elect all directors.

ARTICLE VI. COVENANT FOR MAINTENANCE ASSESSMENTS.

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Parcel owned within the Properties, hereby covenants, and each Owner of any Unit 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: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, 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. The personal obligation for delinquent assessments shall not pass to their successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

The assessments levied by and for the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvements and maintenance of the Common Area.

Section 3. Annual Association Assessment.

(a) For the period commencing January 1 of the year immediately following the conveyance of the first Unit to an Owner, the annual assessment shall be fixed by the Board of Directors of the Association.

(b) The Board of Directors shall fix the annual assessment each year thereafter.

(c) A parcel shall not be subject to assessment until the first day of the month following the month following the date of occupancy thereof as a residence.

(d) The Declarant shall not be liable for annual or special assessments upon Units owned by the Declarant unless the unit is occupied as a residence, or has had a certificate of occupancy issued concerning such unit by the City of Winterset.

Section 4. 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 a capital improvement upon the Common Area, or for any Common Element Responsibility, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the votes of members entitled to vote who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members entitled to vote not less than 10 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members entitled to vote or of proxies entitled to cast the votes shall constitute a quorum.

Section 6. Uniform Rate of Assessment.

Annual assessments, special assessments for capital improvements, and insurance assessments must be fixed at a uniform rate for all townhouses and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

The first annual assessment 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 Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit is binding upon the Association as of the date of its issuance.

Section 8. Insurance and Insurance Assessment.

In addition to the annual assessments and the special assessments for capital improvements, the Association may levy assessments for insurance purchased by the Association. The Association shall obtain liability and casualty insurance for the Common Area and for the Association Common Elements Responsibility. Unless otherwise determined by the Board of Directors of the Association, each Owner shall be responsible for obtaining homeowner's liability insurance and casualty insurance for property which is not part of the Common Elements Responsibility; the Board of Directors may require an Owner's casualty insurance to be obtained from the same insurer as the insurer under the Association's casualty insurance for the Association Common Elements. In the event of casualty loss, the Association shall be responsible for repair and restoration of the Common Area and Association Common Elements, and the Owner shall be responsible for repair and restoration of all other portions of the buildings and improvements upon their Unit, except to the extent that the Board of Directors of the Association has determined to obtain casualty insurance for such portions which are not part of the Common Elements Responsibility in which case the Association shall apply any insurance proceeds received for such portions to such repair and restoration of such portions.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 12 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein for nonuse of the Common Area or abandonment of their townhouse.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Utilities.

Each owner shall be responsible for payment of all utility services to their Unit, including but not limited to, electricity, water, gas, telephone, sewer services, and cable television services.

Section 12. Assessments for City Related Improvements.

Notwithstanding any of the provisions of this Article, the Board of Directors may establish an assessment for the maintenance, improvements, or reconstruction of street signs, fences, and sidewalks as necessary to comply with any directive of the City of Winterset, Iowa.

Section 13. Limitation of Association Liability.

The Association shall not be liable for any failure of water, hot water, heat or other service to be obtained and paid for by the Association, or for injury or damage to property caused by or on the common elements or by another owner or person in the Regime, or resulting from electricity, water, rain, air, dust, dirt or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances or equipment or from any other place. No diminution or abatement of common expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making or repairs or improvements to the common area or from any action taken to comply with any law, ordinance or orders of a governmental authority.

Section 14. Association as Attorney in Fact for Owners.

The Association is hereby irrevocably appointed Attorney in Fact for the Unit owners to manage, control and deal with the interest of such owners in the common elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights to deal with the Townhouse Regime. The acceptance by any person or entity of any interest in any Townhouse shall constitute an appointment of the Association as an Attorney in Fact as above provided.

Section 15. Indemnification of Board and Officers.

Each member of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their being or having been an Officer or Director of the Association or any settlement thereof, whether or not they are an Officer or Director at the time such expenses are incurred, except in such cases wherein such person is adjudged guilty of or liable for willful misfeasance or malfeasance in the performance of their duties; provided that in the event of a settlement the indemnification shall apply

only when the Board of Directors of the Association approves such settlement and reimbursement as being for the best interest of the Association.

ARTICLE VII. ARCHITECTURAL CONTROL.

Except as provided by the Act, common elements shall not be altered or removed and no improvements shall be constructed or made thereon except by the Association or by others upon the prior written consent of the Association. This Article shall not apply to construction, improvements or alterations made by this Declarant.

ARTICLE VIII. EASEMENTS

Each Unit shall be subject to the following easements in favor of the Association.

- (a) Every portion of a structure upon a Unit which contributes to the support of any structure not on the same Unit is burdened with an easement of such support.
- (b) Each Unit is burdened with an easement through it for conduits, ducts, plumbing, wiring, pipes, meters and other facilities for the furnishing of utilities and services, foundation drains, sanitary sewer and water service facilities.
- (c) Each Unit is burdened with an easement of ingress and egress for maintenance, repair and replacement of Common Elements Responsibility by the Association.
- (d) Each Unit is burdened with an easement for common driveway usage with others.
- (e) Each Unit is burdened with an easement for surface drainage for the benefit of all other Units and the Common Area.
- (f) Each Unit is burdened with an encroachment easement for minor encroachments of common walls due to settling, shifting or inexact location during constructions.
- (g) Each Unit is burdened with easements for public utilities and sidewalks.
- (h) Each Unit is burdened with easements for a fence constructed by the Declarant or the Association and maintained by the Association.

ARTICLE IX. USE RESTRICTIONS.

Section 1. Use of Properties.

The use of the Properties shall be in accordance with and subject to the following provisions:

- (a) A Unit shall be used or occupied for single family dwelling purposes only.

(b) A Unit may not be rented or leased by the Owner.

(c) Nothing shall be altered in, constructed in, or removed from the Common Area.

(d) No livestock, poultry, or other animals of any kind shall be raised, bred, or kept in any Common Area, except an Owner shall be permitted to keep cats, dogs or other usual household pets and to walk them, subject to rules and regulations adopted by the Association. No animals shall be tied up or penned outside. Owners shall immediately clean up all manure left outside by their pets.

(e) No boat, snowmobile, recreational vehicle, trailer or other vehicle other than automobiles, pickups or vans, shall be stored or parked in any driveway for more than two (2) days. No boat, snowmobile, recreational vehicle, trailer or other vehicle of any kind shall be stored or parked in any Rear, Side or Front yard area. In the event of violation of this provisions, the Association may, after reasonable notice, remove such boat, snowmobile, recreational vehicle, trailer or other vehicles, and assess the owner of the Unit for the cost of removal.

(f) No activity shall be allowed which unduly interferes with the peaceful possession and use of the Units by the Owners nor shall any fire hazard or unsightly accumulation of refuse be allowed. No trash or trash containers shall be left outside except on or about the day they are picked up.

(g) Nothing shall be done or kept in any Unit or in the Common Area which will increase the rate of insurance on the Common Area or the Association Common Elements Responsibilities, without the prior written consent of the Board of Directors of the Association. No Owner shall permit anything to be done or kept in their Unit or in the Common Area which will result in the cancellation of insurance on any Unit or any part of the Common Area or the Association Common Element Responsibility, which would be in violation of any law, or which may be or become a nuisance or annoyance to the other Owners.

(h) All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the property shall be the same as the responsibility for the maintenance and repair of the property concerned.

(i) Agents or contractors hired by the Board of Directors of the Association may enter any Unit when necessary in connection with any installation, repair, removal, replacement or inspection of any Association Common Element, or in connection with landscaping, or construction for which the Association is responsible, provided such entry shall be made with as little inconvenience to the Owners as practicable.

(j) An Owner shall give notice to the Association of every lien against their Unit other than permitted mortgages, taxes, and Association assessment, and of any suit or other proceeding which may affect the title to their Unit within ten (10) days after the lien attaches or the Owner receives notice of such suit.

(k) An Owner shall be liable to the Association for the expense of any maintenance, repair, or replacement to the Common Area or the Association Common Element Responsibility rendered necessary by their act, neglect, or carelessness, or by that of their family, guests, employees, or agents, which liability shall include any increase in insurance rates resulting therefrom.

(l) Neither the Owners nor the Association nor the use of the Common Area shall interfere with the completion of the contemplated improvements and the sale of the Units by the Declarant. The Declarant may make such use of the unsold Units and the Common Area as may facilitate such completion and sale, including, but not limited to, the maintenance of a model townhouse, the showing of the property and the display of signs.

(m) Police, firemen, emergency units, inspectors and any other public officials or law enforcement agencies shall have the same right of entry onto and the same enforcement powers as to the Common Area as they have with respect to public streets and publicly owned parks and areas.

(n) No sign shall be placed upon any Unit except a "for sale" sign of the small type normally used by real estate brokers.

(o) No tower of antennae shall be placed upon any Unit or upon the roof of any structure, except with the approval of the Board of Directors or the Architectural Control Committee.

(p) No personal property shall be stored or left upon a Unit except within the residential structure or garage location upon the Unit. Garage doors shall be kept closed except during times of access of the garage or as permitted by the rules of the Association.

(q) Front storm doors may be installed at the Owner's cost, but the storm door must have a full glass panel.

Section 2. No Waiver.

Failure of the Association or any Owner to enforce any covenant, condition or restriction, this Declaration, the Articles of Incorporation or Bylaws of the Association, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to enforce the same thereafter.

ARTICLE X. GENERAL PROVISIONS.

Section 1. Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability.

Invalidation of any of these covenants or restrictions by judgment or court order shall not effect any other provisions which shall remain in full force and effect.

Section 3. Amendment.

The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) years period by an instrument signed by not less than seventy-five percent (75%) of the Unit Owners, but no amendment shall alter any rights of the Declarant or impose any additional obligations under the Declarant without the consent of the Declarant. Any amendment must be recorded. During such time as the Declarant is the sole voting member of the Association, this Declaration may be amended by Declarant.

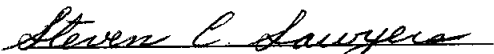
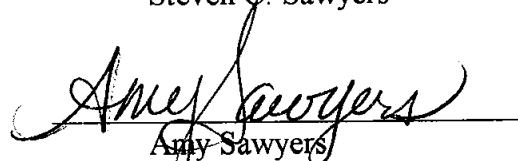
Section 4. Areas Owned by City.

These covenants, restrictions and conditions shall not be applicable to property owned by or dedicated to the City of Winterset, Iowa.

ARTICLE XI. INCORPORATION.

The Exhibits attached hereto and referred to in this instrument are made a part of this Declaration with the same force and effect as the other provisions of this instrument; provided that, wherever specifically provided, the modification of certain Exhibits shall not be deemed an amendment of this Declaration.

Dated this 18th day of MAY, 2001.


Steven C. Sawyers

Amy Sawyers

STATE OF IOWA :
 : SS
MADISON COUNTY :

On this 18th day of May, 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Steven C. Sawyers and Amy Sawyers to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.



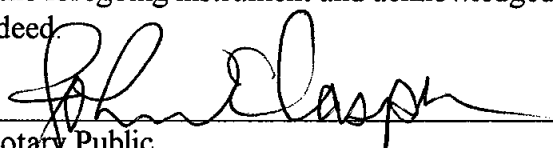

Notary Public

EXHIBIT
DATE

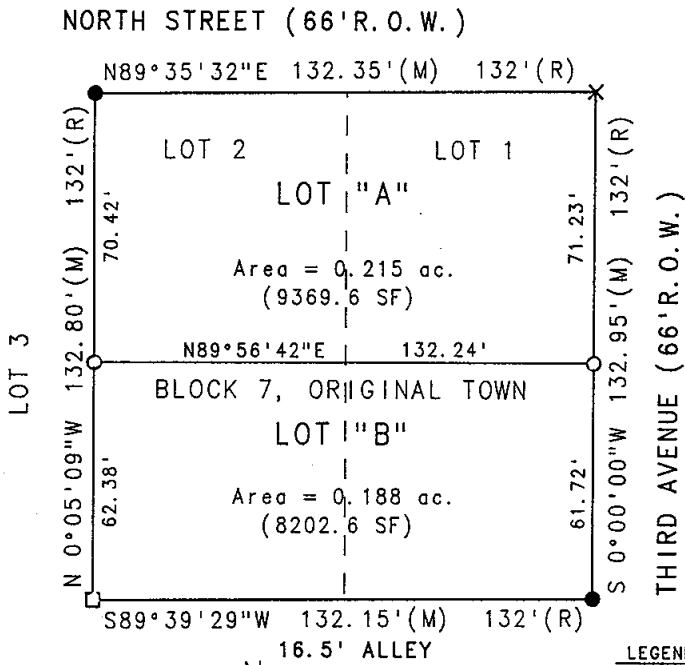


A PLAT OF SURVEY FOR STEVE SAWYERS FOR A SUBDIVISION OF LOTS 1 AND 2 OF BLOCK 7 OF THE ORIGINAL TOWN OF WINTERSET, MADISON COUNTY, IOWA.

NOTE: This division of Lots 1 & 2 follows the center wall of an attached duplex which was under construction at the time of this survey.

LEGAL DESCRIPTION (Lot "A")
 A Parcel of land located in Lots 1&2 of Block 7 of the Original Town of Winterset, Madison County, Iowa, more particularly described as follows:
 Beginning at the Northeast corner of Lot 1 of Block 7 of the Original Town of Winterset; thence South 0°00'00" West, 71.23 feet along the East line of said Lot 1; thence South 89°56'42" West, 132.24 feet to a point on the West line of Lot 2 of Block 7 of the Original Town of Winterset; thence North 0°05'09" West, 70.42 feet to the Northwest corner of said Lot 2; thence North 89°35'32" East, 132.35 feet along the South right-of-way line of North Street to the Point of Beginning. Said Parcel contains 0.215 acres.

LEGAL DESCRIPTION (Lot "B")
 A Parcel of land located in Lots 1&2 of Block 7 of the Original Town of Winterset, Madison County, Iowa, more particularly described as follows:
 Beginning at the Southeast corner of Lot 1 of Block 7 of the Original Town of Winterset; thence South 89°39'29" West, 132.15 feet along the North right-of-way line of an existing 16.5 foot alley to the Southwest corner of Lot 2 of said Block 7; thence North 0°05'09" West, 62.38 feet along the West line of said Lot 2; thence North 89°56'42" East, 132.24 feet to a point on the East line of said Lot 1; thence South 0°00'00" West, 61.72 feet along the West R.O.W. line of Third Avenue to the Point of Beginning. Said Parcel contains 0.188 acres.

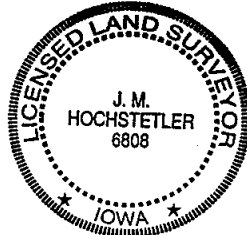
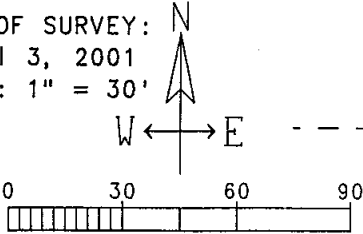


LEGEND

- Fd. Capped Iron Rod (C. I. R.) #6808
- Fd. Bent 1/2" Iron Rod
- x Fd. "X" cut in sidewalk
- Existing platted lot line
- Set C. I. R. #6808
- (M) Measured Dimension
- (R) Recorded Dimension

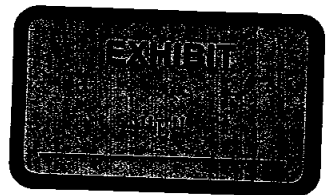
DATE OF SURVEY:
 April 3, 2001

SCALE: 1" = 30'



I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.

J.M. Hochstetler
 J.M. HOCHSTETLER
 License number 6808 Date 5/10/01
 My license renewal date is December 31, 2001
 Pages or sheets covered by this seal: 1



ARTICLES OF INCORPORATION
OF
NORTH STREET TOWNHOUSE ASSOCIATION, INC.

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

ARTICLE I

The Corporation shall be known as NORTH STREET TOWNHOUSE ASSOCIATION, INC. and its principal offices shall be located in Winterset, Madison County, Iowa.

ARTICLE II

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

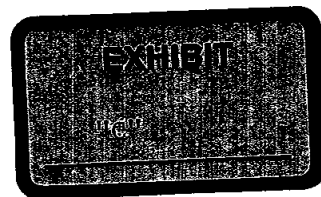
ARTICLE III

A. The purpose and objective of the Corporation is to provide an entity to act as a "Townhouse Management Association" within the meaning of Section 528 of the Internal Revenue Code of 1986 to conduct the business and affairs of, and to act for, the co-owners of that Horizontal Property Regime (Townhouses) created and submitted pursuant to the provisions of Chapter 499B of the Code of Iowa, to be known as the North Street Townhouses (hereinafter sometimes referred to as "Regime").

B. The Corporation shall have all powers and purposes granted or implied to a Council of Co-owners under the provisions of Chapter 499B of the Code of Iowa and as are granted or implied by the Declaration of Townhouses establishing this Townhouse Regime with all of such powers to constitute the lawful purposes of the Corporation.

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

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



ARTICLE IV

The address of the initial registered office of the Corporation is 1233 State Highway 92, Winterset, Madison County, Iowa 50273 and the name of its initial registered agent at such address is Steven C. Sawyers.

ARTICLE V

The Corporation shall have members who shall be those persons described as members in the bylaws of the Corporation. The voting rights of the members shall be as provided in the Declaration of Townhouses and the Bylaws of the Corporation.

ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is one (1).

The names and addresses of the persons who are to serve as the initial directors are:

| NAME | ADDRESS |
|-------------------|---|
| Steven C. Sawyers | 1233 State Highway 92 Winterset, Iowa 50273 |

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

ARTICLE VII

The initial Bylaws of the Corporation and amendments thereto shall be adopted by its initial Board of Directors, but the power to thereafter alter, amend or repeal the same or adopt new Bylaws is reserved to the members of the Corporation subject to the restrictions contained in the initial Bylaws and amendments thereto and the restrictions contained in the Declaration.

ARTICLE VIII

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

ARTICLE IX

All transfers, conveyances, leases, mortgages or assignments of real estate or of any interest therein shall be executed by any one of the followings officers: President, Vice President, Secretary or Treasurer. All transfers, conveyances, leases or encumbrances of personal property or any interest therein shall be executed by any officer of the Corporation or any agent authorized by the Board of

Directors. All judgments or other liens shall be satisfied, discharged, released or assigned by any officer of the Corporation.

ARTICLE X

Neither the members, the Board of Directors, corporate officers nor their private property shall be liable for corporate debts, obligations or undertakings. A director, officer, member, or other volunteer is not personally liable in that capacity for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except as provided by law.

ARTICLE XI

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

ARTICLE XII

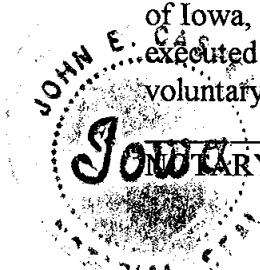
The name and address of the incorporator is Steven C. Sawyers residing at 1233 State Highway 92, Winterset, Madison County, Iowa 50273.

Dated at Winterset, Iowa on this 14th day of May, 2001.

Steven C. Sawyers
Steven C. Sawyers, Incorporator

STATE OF IOWA)
) ss
COUNTY OF MADISON)

On this 14th day of May 2001, before me, a Notary Public in and for the State of Iowa, personally appeared Steven C. Sawyers to as known to be the person named in and who executed the foregoing Articles of Incorporation and acknowledged that he executed the same as his voluntary act and deed.



John E. Casper
NOTARY PUBLIC FOR STATE OF IOWA

BYLAWS OF
NORTH STREET TOWNHOUSE ASSOCIATION, INC.
AN IOWA NON-PROFIT CORPORATION

1. IDENTIFY:

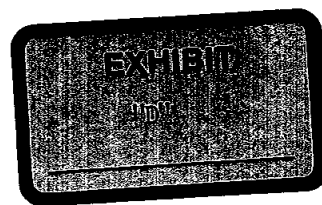
The following shall and do constitute the Bylaws of North Street Townhouse Association, Inc., a non-profit corporation, hereinafter called the Association. The Bylaws are subject to the Townhouse Declaration of North Street Townhouses, hereinafter referred to as the Declaration. The Association has been organized for the purpose of administering North Street Townhouses, a Townhouse organized under the Iowa Horizontal Property Act.

Terms used in these bylaws shall have the same meaning ascribed by the Declaration. The term "Majority of members," as used herein, shall mean 51% or more of the votes in accordance with the percentages assigned in the Declaration to the units for voting purposes.

2. MEMBERS:

The qualification of members and the manner of their admission into the Association shall be as follows:

- a. A unit owner in North Street Townhouses, a Townhouse Association, shall by virtue of such interest be a member of this Association.
- b. If more than one person is an owner of the same unit, all such owners shall be members and remain jointly and severally liable for all membership obligations. In such cases, or if more than one fiduciary or other official is acting in the premises, the votes entitled to be cast by the owner of that unit shall be cast by the person named for that purpose on a certificate signed by all such owners or fiduciaries or other officials and filed with the Association, and such person shall be deemed to hold ownership units appurtenant to such unit for purposes of voting and determining the representation of such ownership units at any meeting or for purposes otherwise provided herein. If such certificate is not executed and filed with the Association, such membership shall not be in good standing and the votes appurtenant to that unit shall not be considered in determining a quorum of any vote or for any other purpose until this Bylaw has been followed. Any certificate properly filed with the Association shall continue in full force until the instrument is revoked.
- c. It shall be the duty of each unit owner to register with the Secretary of the Association the



fact of ownership and the address of the owner. The owner shall register with the Secretary of the Association the name of any tenant which occupies the unit. The Secretary shall maintain a Roll of Members (Roll). Failure of a unit owner to register shall not affect any obligation of such unit owner under the Declaration, Bylaws and Rules and Regulations.

d. The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to a unit in the condominium.

3 . MEMBERS MEETINGS AND VOTING:

a. Transfer of Declarant Control. The Declarant as identified in the Declaration retains control of the Association as limited by the Declaration. In no event shall the period of Declarant control exceed a period ending five years after the first conveyance of a unit to a unit owner other than Declarant or sixty days after the conveyance of ninety percent (90%) of the units in the Townhouses to unit owners other than the Declarant, whichever is earlier.

b. As soon as practicable after the conveyance of seventy-five (75%) of the units to unit owners other than Declarant, the Declarant shall notify all members of the Association of a meeting of the Association to be held no later than sixty days after the conveyance of seventy-five (75%) of the units to unit owners other than Declarant. At such meeting, at least one-third of all members of the Board of Directors of the Association shall be elected by unit owners other than the Declarant.

c. Prior to the first annual meeting of members, there shall be a meeting of the Association at least once a year.

d. Except for the first annual meeting, the annual meeting of members shall be held on the second Tuesday in May every year following the year in which Declarant control terminates and at such time and place as is specified by the Board of Directors for the purpose of electing the Board of Directors and transacting any appropriate other business.

e. Special meetings of the members may be called at any time by the President, or the Vice President, or by the Board of Directors, and must be called by the President upon receipt of written requests from a majority of the members.

f. Notice of all meetings of the members stating the time and place and the objects for which the meeting is called shall be given by the Secretary. The Secretary shall, at least twenty-one days in advance of any annual meeting or regularly scheduled meeting, and at least seven days in advance of any other meeting, send to each member notice of the time, place and tentative agenda of the meeting. The notice shall be sent by United States mail to all members of record at the address of their respective units and to other addresses an any of them may have designated to the Secretary.

- g. Only members shown on the Roll as of the date of meeting shall be entitled to attend and vote, except that the mortgagees of any unit may attend and participate in any general or special meetings but shall have no vote unless granted by written proxy.
- h. A quorum at meetings of the members shall consist of a majority of the voting power of the Association computed in accordance with the percentage set forth in Exhibit " _ " attached to the Declaration. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- i. Any meeting may be adjourned to another time and place without further notice.
- j. All unit owners of a unit shall collectively have that percentage vote set forth in Exhibit _ to the Declaration. Where there is more than one unit owner of a unit, any one thereof may cast the vote allocated to that unit. In the event there is a dispute among such unit owners, the matter shall be referred to the Board of Directors who shall decide by whom the vote is to be cast, and such decision will be final.
- k. No vote in the Association shall be deemed to inure to any unit during the time when the owner thereof is the Association.
- l. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary before the appointed time of the meeting and shall be valid until revoked in writing.
2. If any meeting cannot be organized for lack of a quorum, the meeting shall be adjourned from time to time until a quorum is present.
3. When a quorum is present at any meeting, any question brought before the meeting shall be decided by a majority of the voting power present in person or by proxy unless the question is one where a different vote is required by express provision of law, the Declaration or these Bylaws.
4. At the beginning of each meeting, the Secretary shall tender and certify the Roll showing a list of all the members entitled to vote at such meeting, the percentage voting power of each and the name of the person entitled to cast each such member's vote by virtue of a certificate or proxy then in effect.
5. There shall be no cumulative voting.
6. The order of business at the annual meetings of the members and as far is practical at all other meetings of members shall be:
- (1) election of chairperson of the meeting if there is no Association President or Vice President.

- (2) Calling of the roll and certifying of proxies.
- (3) Proof of notice of meeting or waiver of notice.
- (4) Reading and disposal of any unapproved minutes.
- (5) Reports of officers.
- (6) Reports of committees.
- (7) Appointment of tellers for election.
- (8) Election of Directors.
- (9) Unfinished business.
- (10) New business.
- (11) Adjournment.

7. Conduct of each meeting shall be governed by Robert's Rules of Order, Revised.

4. BOARD OF DIRECTORS:

- a. During the period of Declarant control, the Board of Directors shall consist of one (1) person. Thereafter the Board of Directors shall consist of three (3) persons. The term of office of two (2) directors elected at the first annual meeting shall expire at the third annual meeting and the term of office of one (1) director elected at the first annual meeting shall expire at the second annual meeting. Candidates for the Board positions shall be identified as candidates for one or two year terms. Thereafter, at the expiration of the term of office of each director, their successor shall be elected to serve for a term of two years.
- b. Directors shall hold office until their respective successors have been elected.
- c. Nominations for all available directorships shall be taken before voting. Only one vote shall be taken, and those nominees receiving the most number of votes shall be elected so as to fill the number of directorships. At the first annual meeting the candidates for director shall be divided into two classes, the one year term and the two year term. All members must vote for the number of directors to be elected.
- d. A Director may be removed by a sixty percent (60%) vote of the members of the Association at a special meeting noticed for that purpose. The vacancy so created shall be filled by the persons entitled to vote at the same meeting.

e. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Written notice of regular meetings shall be given to each Director personally or by mail, at least seven (7) days prior to the date established for such meeting unless such notice is waived in writing.

f. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than seven (7) days written notice of any special meeting shall be given personally or by mail, which notice shall state the time, place and purpose of the meeting.

g. Any Director may in writing waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

h. A quorum at a Director's meeting shall consist of a majority in number of the Directors. The acts of the board approved by a majority at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. If during any meeting of the Board of Directors there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. A quorum must be present at any time business is being transacted. At an adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

i. The presiding officer of a meeting of the Directors shall be the President, and in his absence the Vice President. In the absence of the President and Vice President, the majority in number of the Directors may designate one of their number to preside.

j. Directors shall receive no compensation for their services; provided, however, they are entitled to reimbursement for expenses which are authorized by the Board.

k. Any action that could be taken at a meeting of the Board of Directors may be taken without a meeting when authorized in writing by all of the Directors.

5. POWERS AND DUTIES OF THE BOARD OF DIRECTORS:

A. All of the powers of the Association, including those existing under the common law, statutes, the Articles of Incorporation and those powers designated for the Association by the Act and the documents establishing the Townhouse, shall be exercised by the Board of Directors. Such powers shall include, but shall not be limited to, the following:

(1) To elect annually the Officers of the Association.

(2) To prepare and render to the members, on or before December 1st of each year beginning with the year 2002, a proposed budget for the fiscal year beginning the following January 1, showing anticipated income and operating expenses, including reasonable reserves. A copy of such proposed budget shall be given to each unit owner not later than December 1.

(3) To submit at each annual meeting of the members a statement of the business transacted during the preceding year, a report of the general financial condition of the Association and its tangible property. This statement and report may be incorporated in an Annual Report, which the Directors shall also prepare and provide to the members. The Annual Report shall contain, at a minimum, the following:

- (a) A statement of any capital expenditures in excess of 2% of the current budget or \$1,000.00, whichever in the greater, anticipated by the Association during the current year or succeeding two fiscal years;
 - (b) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors;
 - (c) A copy of the statement of financial condition for the Association for the last fiscal year;
 - (d) A statement of the status of any pending suits or judgments in which the Association is a party;
 - (e) A statement of the insurance coverage provided by the Association; and,
 - (f) A statement of any unpaid assessments by the Association on individual units, identifying the unit number and the amount of the unpaid assessment.
- (4) To make and collect assessments to pay common expenses.
- (5) To use the proceeds of assessments in the exercise of its powers and duties.
- (6) To maintain, repair, and replace the common elements including the limited common elements.
- (7) To restore improvements after damage except as provided for in the Declaration.
- (8) To establish and amend rules and regulations respecting the use of the property.
- (9) To enforce by legal means the provisions of the Townhouse Documents, the Articles of Incorporation, the Bylaws of the Association and the Rules and Regulations for the use of the Property.
- (10) To contract for management of the property and to delegate to such management powers and duties of the Association except such powers and duties as the Townhouse Documents or the Act require approval of the Board of Directors or the membership of the Association.

- (11) To purchase such policies of insurance as required by the Declaration and such other policies as it deems appropriate.
- (12) To purchase and own personal property for use in the common elements.
- (13) To pay common expenses.
- (14) To employ personnel at a reasonable compensation to perform the services required for proper administration of the purposes of the Association.
- (15) To fill vacancies in the Board by a vote of the majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director replaced.
- (16) To implement the provisions contained in the Declaration of Easements.

B. The Board shall make and file all elections and documents required in order to become exempt from taxation, insofar as possible, the income of the Association consisting of assessments paid by owners.

OFFICERS:

- a. The officers of this Association shall be a President (who shall be a Director), a Vice President, a Treasurer, and a Secretary. Each officer shall be a member of the Association or an officer or an agent of a corporate Association member and, except for the President, may or may not be a member of the Board of Directors. Each officer shall be elected annually by the Board of Directors and may be peremptorily removed by vote of the Directors at any meeting. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.
- b. The President shall be the chief executive officer of the Association. The President shall have all of the powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the duty to preside at all Directors and members meetings, and the general supervision over other officer and the affairs of the Association. Two officers, at least one of whom shall be the President or Vice President, shall execute all contracts, agreements and obligations of the Association except as such authority may be otherwise delegated by resolution of the Board of Directors.
- c. The Vice President shall in the absence or disability of the President exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed

by the Directors.

d. The Secretary shall keep the minutes of all proceedings of the members. The Secretary shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. The Association shall have no corporate seal. The Secretary shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation and as may be required by the Directors or the President.

e. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness and shall give bond in such sum and with such sureties as the Directors may require. The Treasurer shall (1) keep the assessment rolls and accounts of the members; (2) keep the books of the Association in accordance with good accounting practices and shall submit them together with all the vouchers, receipts, records and other papers to the Directors for their examination and approval as often as they may require; and, (3) deposit all monies and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall disburse the funds of the Association as ordered by the Board and shall perform all other duties incident to the office of Treasurer. If a managing agent or manager be employed, the Board of Directors may designate some or all of the forgoing functions to be entrusted to such person or entity subject to bonding and subject to overseeing control by the Treasurer.

f. Officers of the corporation shall receive no compensation for their services in such capacity; provided however, they are entitled to reimbursement for expenses which are authorized by the Board.

7. FISCAL MANAGEMENT:

a. All funds and the titles of all properties acquired by the Association, and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the members for the purposes stated in the Declaration and herein.

b. The depositories of the Association shall be such financial institutions as designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by instruments signed by such persons as are authorized by the Directors.

c. The books, accounts and records of the Association shall be open to inspection by any Director at all times. Members of the Association shall have the right to inspect the books, accounts and records of the Association during reasonable business hours.

d. An independent audit of the accounts of the Association shall be made annually and a copy of the report shall be available for inspection by each member not later than May 1 of the year

following the year for which the report is made.

e. Fidelity bonds may be required by the Board of Directors or all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds may be paid by the Association.

f. Payment vouchers shall be approved by the officer or officers designated by the Board of Directors, or authority to approve vouchers may be delegated to the manager at the discretion of the Board of Directors.

8. ASSESSMENTS:

Unless otherwise specified the term "Assessments" includes annual and special common expense assessments.

Assessments shall be levied in accordance with the Declaration by a majority vote of all of the members of the Board of Directors of the Association, in each instance supported by a budget and paid by the members to the Association in accordance with the following provisions:

a. All owners of a unit shall be jointly and severally liable for the common expenses which are assessed against the unit.

b. All sums collected by the Association as assessments may be commingled in a single fund.

c. All assessments, both annual and special, shall become a lien on the unit on the date they become payable. In case any installment is not paid within thirty (30) days after it becomes payable, the Board of Directors may declare the entire assessment payable without further notice.

d. Annual assessments shall be made in advance on or before the second Monday in December of the year preceding that for which the assessments are payable and special assessments shall be made at such other additional times in the judgment of the Board of Directors additional common expense assessments are required for the proper management, maintenance and operation of the condominium. Such annual assessments shall be payable in equal monthly installment beginning with January 1 and on the 1st day of each month thereafter. Special assessments shall be due and payable as determined by the Board of Directors. If an annual assessment is not made, there shall not an assessment in the amount of the last prior annual assessment which shall be payable as above set forth.

e. The assessments against all units shall be set forth upon the roll which shall be available in the office of the Association for inspection at all reasonable times by members or their duly authorized representatives. Such roll shall indicate for each unit the name, address and interest of the member, the assessments or other obligations owing to the Association and the

amounts of all assessments or other obligations which are unpaid.

f. Assessments and installments thereof paid on or before fifteen (15) days after the date when payable shall not bear interest or penalty, but all sums not paid on or before fifteen (15) days after the date when payable shall bear Interest and/or penalty as determined by the Association to the extent permitted by law from the date when payable until paid. All payments upon account shall be applied first to interest and/or penalty and then to the assessment payment first payable. All interest and penalties collected shall be credited to the Common Expense Account.

9. COMPLIANCE AND DEFAULT:

Each member shall be governed by and shall comply with the terms of the Declaration, Bylaws and Rules and Regulations adopted pursuant thereto as any of the same may be amended from time to time. A default shall entitle the Association or other members to the following relief:

a. Failure to comply with any of the terms of the Declaration, Bylaws or Rules and Regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, to an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and which relief may be sought by the Association, or if appropriate, by an aggrieved member.

b. In the event any installment of an annual or special assessment is not paid when due, the Board shall have the right and duty to attempt to secure payment thereof and expenses of collection including attorney's fees shall be paid by the unit owner which expenses and fees shall be included in the assessment lien on the unit. The Board shall have the right and duty to recover the unpaid assessments, interest and penalties by remedies provided by law, these Bylaws, the Declaration and Rules and Regulations.

c. In any proceeding arising because of an alleged default by a member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

d. The failure of the Association or of a member to enforce any right, provision, covenant or condition which may be granted by the Declaration or Bylaws shall not constitute waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future.

e. All rights, remedies and privileges granted to the Association or a member, pursuant to any terms, provisions, covenant or conditions of the Declaration or Bylaws shall not be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies.

f. Failure to enforce any provision of the Declaration, Bylaws or Rules and Regulations shall

not constitute a waiver or limit the right to enforce such provisions on any subsequent occurrences.

10. AMENDMENTS:

These Bylaws may be amended only upon the affirmative vote of Sixty-six and Two-thirds percent (66 2/3%) of the percentages assigned in the Declaration to the units for voting purposes, except as provided in Article 18 of the Declaration.

11. RULES AND REGULATIONS:

The Board of Directors of the Association or the membership of the Association may promulgate rules and regulations; provided, however, that copies of such rules and regulations shall be given to each unit prior to the time that the same become effective.

12. INDEMNIFICATION OF OFFICERS AND DIRECTORS:

The Association shall, to the extent such liability is not covered by insurance, indemnify every director and officer, their heirs, executors and administrators against all loss, cost and expense, including attorney's fees reasonably incurred in connection with any action, suit or proceeding to which they may be a party by reason of being or having been a director or officer of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by legal counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of their duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, arising out of or in connection with the foregoing indemnification provisions shall be common expenses; provided, however, that nothing in this section shall be deemed to obligate the Association to indemnify any member who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or damage or liabilities incurred solely in their capacity as a unit owner.

13. SEVERABILITY:

If any part of these Bylaws shall be ruled invalid or ineffective for any reason whatsoever, the balance shall nevertheless remain in full force and effect.

14. GENERAL PROVISIONS:

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

- b. The Association shall not have a corporate seal.
- c. The Board of Directors may require fidelity bonds from all directors, officers, or agents handling or responsible for Association funds and the expense of such bonds shall be a common expense of the Association.
- d. The Association shall at all times maintain complete and accurate written records of each unit and owner and the address of each, and setting forth the status of all assessments, accounts and funds pertinent to that unit and owner. Any person may rely on a certificate made from such records by an officer or agent of the Association as to the status of all assessments and accounts.
- e. Each member shall have the obligations as such member as are imposed upon them by the condominium Documents as an owner, and no member shall have any power or authority to incur a mechanic's lien or other lien effective against the Property, except as the same may attach only against the owner's appurtenant interest therein and be removable as such.
- f. The Board of Directors may in its discretion issue written evidence of membership but the same shall be evidence thereof only and shall in no manner be transferable or negotiable, and the share of the member in the assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to such assignment, hypothecation, or transfer of the unit.
- g. No provision or restriction otherwise void by reason of application of the rule against perpetuities or Section 558.68 of the Code of Iowa shall continue for a period longer than the life of the last to survive of the owners and shareholder of the developer and their children in being at the time of the initial recording of the Declaration of Townhouses to the Regime and twenty-one (21) years thereafter.

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


The undersigned certifies that the foregoing Bylaws were adopted as the Bylaws of North Street Townhouse Association, Inc., a non-profit corporation under the laws of the State of Iowa, by action of its Board of Directors at the first meeting thereof effective on 18th day of May, 2001.

North Street Townhouse Association, Inc.

By Steven C. Sawyers
Steven C. Sawyers

STATE OF IOWA)
) ss
COUNTY OF MADISON)

The foregoing instrument was acknowledged before me on this day 18th of May, 2001, by Steven C. Sawyers, the secretary of North Street Townhouse Association, Inc. an Iowa non-profit corporation, on behalf of the corporation.



John E. Casper, NOTARY PUBLIC FOR THE STATE OF IOWA