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**DECLARATION OF ESTABLISHMENT
OF
A HORIZONTAL PROPERTY REGIME (CONDOMINIUM)
TO BE KNOWN AS
STEPHEN'S COVE TOWNHOMES**

The undersigned, Thane Johnson and Michelle Johnson, Freddie E. Johnson Revocable Trust under agreement dated November 1, 1999 and Jane M. Johnson Revocable Trust under agreement dated November 1, 1999, the owners and Developers of the real property described on Exhibit A attached hereto, hereby submits said property to a Horizontal Property Regime pursuant to the provisions of Chapter 499B, Code of Iowa (2005). In compliance with Sections 499B.3 and 499B.4, Code of Iowa (2005), the following declarations are made:

1. The description of the land and improvements hereby submitted to this Horizontal Property Regime are as legally described and as depicted on the Site Plan. The Building located on said Land is hereby submitted to the regime. The Units in such Building, which are shown on the Site Plan (attached hereto as Exhibit A) and depicted on the building floor plans attached hereto as Exhibit B, are hereby submitted to the regime. Exhibits "A" and "B" contain and such contents shall govern, for purposes of

this Declaration and for purposes of meeting certain requirements of Sections 499B.4 and 499B.6 of the Code of Iowa, the following:

A. The number identifying the Building and each Unit, the location and number of rooms in each Unit and the immediate common area to which each Unit has access. Each detached garage unit in the separate building shall bear markings clearly denoting which unit is entitled to exclusive use.

B. The full and exact copy of the plans of the Building which show graphically all particulars of the Building including, but not limited to, the dimensions, area and location of the common elements affording access to each Unit.

2. Ownership of the unit carries with it the ownership of an undivided interest in all general common elements and facilities as defined herein. These general common elements and facilities, which shall be held by the owners as tenants in common, shall be the land on which the building is erected, the foundations, the main sanitary sewer and water lines, the walls, floors, ceilings and roofs of each unit and of the building (except the interior surfaces and except partition walls within individual units), stairways, walkways, garbage collection area, driveways, parking lot, sidewalks, outside electrical lighting units, landscaping, shrubbery and general improvements to the grounds, lawn or lake front, pipes, wires, fire alarm system, conduit and other public utility lines which are utilized for or serve more than one unit, facilities and personal property required for the use of personnel engaged in performing services for the development and all other devices or installations existing for common use and defined as General Common Elements by Section 499B.2 of the 2005 Code of Iowa.

The owners of a unit shall be deemed to own the cupboards, counters, plumbing fixtures and walls or partitions that are contained wholly within the particular unit and

shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floor and ceiling including paint, wallpaper, vinyl tile, carpeting, etc., which are deemed to be a permanent part of each unit. The owner of each unit shall be solely responsible for the care, maintenance, repair, replacement and restoration of each unit including plumbing and lighting fixtures, heating and air conditioning equipment, refrigerator, dishwasher, disposal, range or other equipment or personal property connected with such unit for its exclusive use, except as otherwise provided.

In the event pipes, wires, conduits or other public utility lines run through one unit which are utilized for or serve one or more other units, a valid easement for the maintenance of said pipes, wire, conduits, or other public utility lines shall exist and in the event any part of the building is partially or totally destroyed and later rebuilt, repaired, or restored as hereinafter provided, a valid easement for replacement and maintenance of said pipes, wires, conduits or other public utility lines shall exist.

3. Patios, entrances and entrance sidewalks are for the exclusive use of the respective units, but repair and maintenance shall be a common expense.

4. The fractional interest which each unit bears to the entire Horizontal Property Regime is one-fourth (1/4). Voting rights regarding administration of the Horizontal Property Regime and payment of expenses relating to the general common elements and facilities shall be shared equally by each unit.

5. In the event of damage or destruction of all or a part of the property, the property shall be rebuilt unless three-fourths (3/4) of the unit owners shall determine that the property shall not be rebuilt, repaired, restored and therefore sold. Each unit shall be entitled to one vote with the vote of any unsold unit to be cast by Developers or its successor in interest.

The Stephen's Cove Townhomes Owners' Association Board shall by a majority vote determine an appropriate amount of casualty and liability insurance coverage for the buildings, grounds, general common elements and facilities. Any policy purchased by the Owners' Association shall provide casualty coverage for the entire structure including utility lines, plumbing lines, all mechanical systems within the walls and permanent appliances. Roof and wall coverage shall include the sheetrock or other underlayment, but shall not extend beyond the sheetrock or underlayment. Coverage shall be replacement value for the like kind regarding construction of the existing structures. The cost of such casualty and liability coverage for the general common elements and facilities shall be shared equally by each unit. Each unit shall be individually responsible for such casualty and liability insurance as they deem appropriate for the owner's individual unit. The personal property of the unit owners, including the inner decorated and/or finished surfaces of the walls, floors and ceilings and any appliances such as water heaters, air conditioners, stoves, refrigerators and the like as well as kitchen and bathroom fixtures, will not be covered by the Owners' Association policy. Windows, doors and screens shall be insured by the Association.

Notwithstanding the previous paragraph, the Board may elect to purchase an insurance policy which provides coverage for fixtures, installations or additions that are within individual units, including but not limited to paint, wallpaper, paneling, tile, carpeting, air conditioners, cabinets, cooking ranges, clothes washers and dryers, electrical fixtures, dishwashers, fire extinguishing apparatus, plumbing fixtures and refrigerators. In the event the Board elects to do so, it shall give written notice thereof to each unit owner so that the unit owner may choose individual insurance which does not duplicate the Association insurance.

6. The administration of this Regime as it may be supplemented from time to time shall be vested in Stephen's Cove Townhomes Owners' Association, consisting of all of the owners of the units subject to the provisions herein. This Association shall be the "Council of Co-Owners" within the meaning of Chapter 499B of the 2005 Code of Iowa and have all powers and authority granted to it by said Chapter, including, but not limited to the responsibility for the care, maintenance, repair, replacement and restoration of the structure, common elements and facilities and the making of assessments chargeable to owners. All sums so assessed but unpaid shall constitute a lien on the respective unit prior to all other liens, except: (1) liens for taxes and assessments lawfully imposed by governmental authority against such property; and (2) all sums secured by mortgages of record. Such lien may be foreclosed by suit by Association or its representatives in like manner as a mortgage of real property provided that thirty (30) days written notice of the intention to foreclose shall be mailed, postage prepaid, to the owner as shown by Association's record of ownership as set out below. In the event a lien of Association shall be foreclosed, the unit owner shall be required to pay a reasonable rental for the unit and Association shall be entitled to the appointment of a receiver to collect the same. Association or its representatives shall have the power to bid on such unit at foreclosure sale and to acquire, hold, lease, mortgage and convey such unit. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

7. The following restrictions and limitations shall apply to all units in Stephen's Cove Townhomes:

A. No noise or other activity shall be allowed which unduly interferes with the peaceful possession and proper use of the property by its owners, nor shall any fire

hazard or accumulation of refuse or other material be allowed. No towels, clothing or other objects shall be permitted to be hung outside of the units. No fences, wires, lines, sheds, outbuildings or other structures of any kind may be erected by any owner in any common area or facility without prior approval of the Owners' Association.

B. No recreational vehicles, motorcycles, snowmobiles, all terrain vehicles, travel trailers, campers, boats, boat trailers, flatbed trailers, inoperable vehicles, or the like shall be parked in driveways, the grounds or on common elements (including unassigned guest parking), except inside the garage unit assigned to a Unit and facilities other than on a strictly temporary basis not to exceed 48 hours. For purposes of computing the 48 hours, the relocation of the items at issue within Stephen's Cove Townhomes or the temporary removal and return of said item shall not restart the 48 hour time limit unless said item is removed entirely for not less than ten days. Storage of gasoline or other flammable fluids shall be limited to five gallons at any one time.

C. All garage doors shall be kept closed at all times except when being opened for purposes of ingress and egress, or when a unit owner, family member or guest is personally present in the garage area. No garage shall be used to store discarded items, junk or other unsightly materials. Garages shall not be used as a mechanical or woodworking shop or for commercial ventures. No vehicles may be washed in the ground levels and no vehicle maintenance or repair may be performed inside any of the buildings.

D. Trash containers shall be kept within garages at all times.

E. No pets shall be allowed even on a temporary basis, except that one dog under fifty-five (55) pounds or one cat per unit shall be permitted. Any such pets shall not be left unattended by the owners, may not be tied in any common area and shall not be allowed to run free but shall be on a leash at all times when outside the unit. Owners shall clean up all waste of their pet. In the event a pet is deemed to be a nuisance by a majority of the Owners' Association at a duly called meeting due to the pet causing a

disturbance of the other occupants of the units by excessive noise or disruptive behavior, the Owners' Association may require the owner of the unit where the pet is located or staying to permanently remove the pet from the premises.

F. No signs shall be placed on the premises, including, but not limited to, signs placed on the exterior of any unit. This subparagraph shall not prohibit real estate for sale signs. However, for sale signs shall be limited to no more than two signs per unit with said signs to be no larger than four (4) square feet each. Any for sale signs placed on the premises shall be removed as soon as practical after the unit advertised is sold.

G. Decks, porches and/or patios are limited common elements and shall be the responsibility of the Owners' Association, which shall maintain such deck, porch or patio. Decks, porches or patios shall conform to applicable state and local law and the use thereof shall be subject to such rules as may be promulgated by the Owners' Association.

H. No private docks shall be allowed on the premises. The Developers shall be responsible for providing docks along the lakefront to serve the units, which docks shall then be regulated and maintained by the Owners' Association. All docks are regulated by and shall be in conformance with applicable state and local law. The Owners' Association shall have responsibility for assigning placement of boat hoists at the docks.

Each unit shall be assigned space for one boat hoist not over 12,000 pound capacity, a second boat hoist not over 6,000 pound capacity and a boat not larger than thirty (30) feet. Personal watercraft hoist is subject to availability and shall be regulated

and assigned by the Owners' Association. No hoist may be used for a boat of a non-owner. No boats, hoists or hoist spaces may be rented. No individual may install additional docks or catwalks except as approved by the Board.

I. The Owners' Association by a three-fourths (3/4) vote of those present at a duly called meeting shall have the authority to amend or rescind any part of this paragraph 9. Additionally, the Owners' Association by a three-fourths (3/4) vote of those present at a duly called meeting shall have authority to adopt and enforce other reasonable restrictions, rules and regulations relating to the use and enjoyment of the premises, including, but not limited to, assigning or reassigning placement and use of boat lifts; regulating the placement of items such as ladders, benches, diving boards, storage bins and the like on the dock managed by the Association; and regulating the use of common elements and facilities. Additionally, the owners of the Association, by two-thirds (2/3) vote of those present at a duly called meeting, shall have the authority to amend, alter or over-rule any regulations, standards and rules of conduct regarding the use and occupancy of the property adopted by the Board pursuant to section 3F of the By-Laws.

8. This Declaration may be amended in either of the following manners:

A. By written amendment signed by all owners, acknowledged and filed with the Dickinson County Recorder; or

B. By approval of an amendment by not less than a three-fourths (3/4) majority of the owners present at a meeting called for the purpose of discussing such amendment. Notice of such meeting shall designate the time and place for the meeting together with a general description of the proposed amendment with the notice to be given not less than thirty (30) nor more sixty (60) days from the date of the meeting. At

such meeting the written proxy of an owner duly signed and notarized either setting forth the owner's vote on the proposed amendment or authorizing another owner to vote on behalf of such absent owner shall be allowed and recognized by the presiding officer as a valid vote on the amendment.

C. No amendment shall be valid without the written approval of Developers as long as Developers own any unit.

In witness whereof, the undersigned, has executed this Declaration this _____ day of _____, 2006.

Thane Johnson

Michelle Johnson

FREDDIE E. JOHNSON REVOCABLE TRUST

By: _____
Freddie E. Johnson, Trustee

JANE M. JOHNSON REVOCABLE TRUST

By: _____
Jane M. Johnson, Trustee

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Thane Johnson and Michelle Johnson, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument, and who acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for said State

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Freddie E. Johnson as Trustee of the Freddie E. Johnson Revocable Trust under agreement dated November 1, 1999, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he, as trustee, executed the instrument as the voluntary act and deed of the person and of the trust.

Notary Public

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jane M. Johnson as Trustee of the Jane M. Johnson Revocable Trust under agreement dated November 1, 1999, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that she, as trustee, executed the instrument as the voluntary act and deed of the person and of the trust.

Notary Public

BY-LAWS
OF
STEPHEN'S COVE TOWNHOMES
A HORIZONTAL PROPERTY REGIME (CONDOMINIUM)

The administration of the property submitted to the attached Declaration of Establishment of a Horizontal Property Regime (Condominium) to be known as Stephen's Cove Townhomes, shall be governed by the following By-Laws which are annexed to the Declaration and made a part thereof.

1. The administration of the Horizontal Property Regime shall be in the charge of an Executive Board of administration consisting of the president, vice president, and secretary-treasurer of the council of co-owners also known as the Stephen's Cove Townhomes Owners' Association. The officers comprising the Executive Board shall be elected and may be removed as set forth in these By-Laws and they shall receive such compensation as may be fixed from time to time by the Owners' Association as set forth in these By-Laws.

2. The counsel of co-owners to be known as the Stephen's Cove Townhomes Owners' Association shall be governed as follows:

A. Meetings of the Association shall be held in the apartment unit of the president of the Owners' Association or such other suitable place convenient to the owners as may be designated by the president. The president shall preside over the meeting and the secretary-treasurer shall keep the minute book wherein all resolutions and other business conducted shall be recorded. In the absence of the president, the meeting may be conducted by the vice president. In the absence of both the president and vice president, the meeting may be conducted by the secretary-treasurer. In the

absence of the secretary-treasurer, the presiding officer shall appoint a secretary-treasurer pro tem. No notice need be given of the Owners' Association's annual meeting unless a special assessment or amendment to the Declaration or By-Laws is to be discussed and voted upon.

B. The annual meetings of the Association shall be held on the last Saturday of June each year at 10:00 o'clock a.m. for the purpose of electing officers and transacting any other business authorized to be transacted by the Association.

C. Special meetings of the Association may be called by the president and shall be called by the president upon written request signed by the owners of at least four (4) of the units. Notice of such special meeting shall be given to all owners by ordinary mail addressed to their last known address as shown in the records of the Association not less than ten (10) nor more than thirty (30) days prior to the date set for such meeting. The notice thereof shall state the time, place and purpose of such meeting. No business may be conducted at such meeting other than as stated in the written notice unless all owners are personally in attendance and consent to such other business being conducted. Following proper request, should the president fail or be unable to call a special meeting, the vice president, or secretary-treasurer shall call the meeting.

D. Notice of a meeting may be waived in writing. Attendance by any owner at any meeting of the Association shall constitute a waiver of notice.

E. A quorum at Association meetings shall consist of the owners of at least three (3) of the units. The Developer is considered the owner of any unit until it is sold following initial construction, and shall have one vote per unit. Action approved by a majority of those present at a meeting at which a quorum is present shall be valid except where approval by a greater number is required by the Declaration or these By-Laws. Written proxies designating an owner's vote on a matter or granting another owner authority to vote the absent owner's ballot on any issue is allowed and such

owner's proxy shall be counted in determining a quorum of the meeting. Each unit shall be entitled to one vote on any issue properly before a meeting with the vote to be cast by an owner of the unit as shown on a duly recorded deed to the unit. In the event of disagreement between co-owners of a unit regarding any vote, the owner whose name appears first on the deed who is present either in person or by proxy shall be entitled to cast the vote.

F. Votes may be cast in person or by proxy. All proxies must be in writing, notarized and filed with secretary-treasurer before the time of the meeting. All votes cast shall be either yea, nay or abstention.

G. If any Association meeting cannot be held because a quorum is not in attendance, the owners who are present, either in person or by proxy, may adjourn the meeting until such time as a quorum is present.

H. The order of business at all annual meetings of the Association shall be as follows:

- i. Role call and certification of proxies.
- ii. Reading of the minutes of the preceding meeting.
- ii. Report of officers.
- iv. Report of committees.
- v. Election of officers.
- vi. Unfinished business.
- vii. New business.
- viii. Adjournment.

I. All meetings shall be conducted in accordance with Roberts Rules of Order.

3. The president, vice president, and secretary-treasurer comprising the Executive Board shall be elected by a majority vote each year at the annual meeting

and shall serve until their successors are duly elected. There shall be no term limitation on any office.

The powers and duties of the Executive Board shall include all the powers and duties existing under Chapter 499B, Code of Iowa (2005) and amendments thereto, the Declaration and these By-Laws. The powers and duties shall include the following:

A. To recommend budgets and collect assessments against members to pay the costs and expenses of the Horizontal Property Regime.

B. To use the proceeds of assessments in the exercise of the powers and duties.

C. To maintain, repair, furnish, replace and operate the property of the Horizontal Property Regime.

D. To purchase insurance upon the condominium property and insurance for the operation of the Association and its members, including but not limited to casualty and liability insurance. Casualty insurance shall be purchased at replacement cost value of the building and other improvements. Any policy purchased by the Association shall provide coverage as provided in the Declaration.

E. To reconstruct improvements after casualty and to further improve the property.

F. To make and amend reasonable regulations, standards and rules of conduct regarding the use and occupancy of the property.

G. To enforce by legal means, if necessary, the provisions of law, the Declaration, these By-Laws and all regulations, standards and rules of conduct properly adopted.

H. To contract for the management of the property and to delegate to a manager such powers and duties of the Board as it may deem appropriate and to terminate such management. The Board shall also have the power to employ

attorneys, accountants and such other professional persons as may be necessary to assist in management.

I. To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the common areas and facilities.

J. All actions of the Executive Board shall be subject to review and modification or cancellation by a majority vote of any duly called annual or special meeting of the Owners' Association.

K. All officers shall be owners, spouses of owners or agents of corporate or fiduciary owners.

L. Compensation of all officers, if any, shall be fixed by the Owners' Association at any duly called annual or special meeting.

M. The annual meeting of the Executive Board shall immediately follow the annual meeting of the Owners' Association each year at which meeting the Board shall determine what time, if any, and place, shall be established for periodic Board meetings.

N. Special meetings of the Executive Board may be called by any one of the three (3) officers with notice of such special meeting to be given to the other officers stating the time, place and purpose thereof. Such notice shall be mailed by ordinary mail to each Executive Board member at their last known as shown in the records of the Owners' Association at least ten (10) days but not more than thirty (30) days prior to such meeting.

O. A quorum of the Board shall be two of the Board members and proxies shall not be allowed. All matters properly before the meeting shall be approved by a majority of The Board and in the event a majority decision cannot be reached or a tie vote results on any issue, the issue shall fail. Any issue which fails as a result of a tie shall not be recast in the negative.

P. Business and resolutions of the Executive Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item are reduced to writing and signed by all Board members. Minutes of all Executive Board meetings shall be kept by the secretary-treasurer and written actions taken by the Board in lieu of a formal meeting shall be filed with the secretary-treasurer who shall keep the minutes separate from the minutes of the Owners' Association. The minutes of the Executive Board shall be made available for inspection and copying by any owner.

Q. If desired by the Association or the Board, a blanket fidelity bond may be secured to cover any person who may handle Association funds. The premium of such bond shall be paid from Association funds.

R. The president may approve expenditures up to \$500.00 with any expenditures greater than \$500.00 and less than \$2,500.00 to be approved by the Executive Board. All expenditures over \$2,500.00 shall be approved by the Owners' Association. Approval by a majority of the Executive Board of payment vouchers between \$500.00 and \$2,500.00 shall be noted in the minutes of the Board. Approval by a majority of the Owners' Association of payment vouchers in excess of \$2,500.00 shall be noted in the minutes of the Owners' Association. These limitations, may be altered by resolution approved by the majority of the Owner's Association. Expenditures for casualty and liability insurance, regardless of the amount may be authorized by the Board.

S. Vacancies on the Executive Board shall be filled by majority vote of the remaining Board members until the next annual meeting. No person shall serve as more than one officer at the same time, except for the secretary-treasurer who shall be one individual.

T. The individual duties and responsibilities of the officers shall be as follows:

i. The president shall be the chief Executive officer of the Board and Association. The president shall preside over all meetings of the Board and the Association, and subject to the provision of these By-Laws and the Declaration, the president shall be authorized to sign all documents on behalf of the Board or Association.

ii. The vice president shall, in the absence of the president, perform all duties of the president. The vice president shall also perform such other duties and provide assistance to the president as may be imposed by the Association, Board or president.

iii. The secretary-treasurer shall keep the minute book wherein resolutions and other business of the Association and Board shall be recorded. The secretary-treasurer shall be responsible for giving notice to members of the Owners' Association or Board of all meetings or other matters as may be required by law, the Declaration, By-Laws, or direction of the Owners' Association or Board. The secretary-treasurer shall keep the books of account of the Owners' Association and Board and shall keep the checkbook of the Association and any other books of deposit. The secretary-treasurer shall keep full and accurate accounts of all receipts and disbursements of the Association and in general, shall keep the books of the Association in accordance with good accounting practices and perform all other duties incident to the office of treasurer. The secretary-treasurer, may, with approval of a majority of the Executive Board, hire a bookkeeper or accountant to assist in performing the duties of the office of treasurer.

4. The Executive Board shall oversee the fiscal management of the property.

A. The Executive Board, at their annual meeting, shall adopt a budget for each management year which shall run from July 1 through June 30 of each year. The annual budget shall include the following accounts:

i. **Current Expenses Account.** The current expenses account shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable amount for contingencies and working funds. This account shall be the general account used for day to day management of the property. Any balance remaining in this account at the end of each year may be applied to reduce the assessment for this account for the succeeding year.

ii. **Reserve Maintenance Account.** The reserve maintenance account shall include funds for maintenance items which occur less frequently than annually and funds for replacement or repair of items required because of damage, depreciation or obsolescence.

iii. Funds from the current expenses account shall not be used to cover any short fall in the reserve maintenance account. The reserve maintenance account shall be funded through special assessments as provided in these By-Laws.

B. Each unit shall contribute one-fourth (1/4) of the annual assessment used to fund the current expenses account. The annual assessment shall be determined by the Executive Board preparing a budget for the current expenses account, which budget shall be prepared and a copy mailed to each owner at least ten (10) days before the annual meeting of the Owners' Association. At the annual meeting of the Owners' Association, the secretary-treasurer shall present the proposed budget for the current expenses account during the officers' report portion of the meeting for the consideration and approval of the Owners' Association. A majority vote of those present either in person or by proxy shall be required to approve the budget and assessment. In the event no budget is approved and no annual assessment made, the assessment from the prior management year shall continue at the same amount. The annual assessment shall be paid in payments as set by the Board.

C. Unpaid annual assessments and/or unpaid special assessments shall constitute a lien on the unit for which the assessment is unpaid as provided for in

Section 499B.17, Code of Iowa (2005) and amendments thereto. Annual assessments and/or special assessments remaining unpaid more than ten (10) days after they are due shall carry interest at the rate of ten (10) percent per annum. The Executive Board, acting through the president, shall be responsible for collecting all unpaid assessments, which may be collected by foreclosure or suit for money judgment as provided for in Section 499B.17, Code of Iowa (2005) and amendments thereto.

D. Special assessments for non-emergency items in the reserve maintenance account shall require the affirmative vote of at least two-thirds of the unit owners. Special assessments for non-emergency items or special assessments to replenish the current expenses account shall require the affirmative vote of at least two-thirds of the unit owners. Such vote shall be taken only after notice in the manner required for special meetings has been given to all owners setting forth the date, time and place of the meeting to discuss special assessment; the amount of the special assessment; and the manner in which the special assessment will be collected. Nothing in this paragraph shall prohibit the Executive Board from proposing and submitting a special assessment for approval at the annual meeting of the Owners' Association.

E. Special assessments as the result of an emergency shall be made only after notice thereof and the need therefore has been given to all owners in the same manner as notice for special assessments of a non-emergency nature. Approval of an emergency special assessment shall require a majority vote of the owners and shall become due within thirty (30) days of the approval.

F. An accounting shall be made of all Association accounts at least annually at the annual meeting of the Owners' Association. A majority of the owners or a majority of the Executive Board may require an audit of the accounts by an independent party with the cost of such audit to be paid from the current expenses account.

5. No amendment to these By-Laws shall be valid unless set forth in writing and duly recorded. The By-Laws may be amended by the Association at a duly called meeting for such purpose. No amendment shall take effect unless approved by the owners of at least three-fourths (3/4) of the units.

IN WITNESS WHEREOF, the undersigned has executed these By-Laws this _____ day of _____, 2006.

Thane Johnson

Michelle Johnson

FREDDIE E. JOHNSON REVOCABLE TRUST

By: _____
Freddie E. Johnson, Trustee

JANE M. JOHNSON REVOCABLE TRUST

By: _____
Jane M. Johnson, Trustee

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Thane Johnson and Michelle Johnson, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument, and who acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for said State

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Freddie E. Johnson as Trustee of the Freddie E. Johnson Revocable Trust under agreement dated November 1, 1999, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he, as trustee, executed the instrument as the voluntary act and deed of the person and of the trust.

Notary Public

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jane M. Johnson as Trustee of the Jane M. Johnson Revocable Trust under agreement dated November 1, 1999, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that she, as trustee, executed the instrument as the voluntary act and deed of the person and of the trust.

Notary Public