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INSTR. NO. 030968

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JAMES W. GIBLER
RECORDER
DICKINSON COUNTY, IOWA

FEES 71.00

**DECLARATION OF ESTABLISHMENT
OF
A HORIZONTAL PROPERTY REGIME (CONDOMINIUM)
TO BE KNOWN AS
LAKE VISTA CONDOMINIUMS**

The undersigned, Sharon R. Caskey, the sole owner of the property hereinafter described, and Cecil Caskey, her husband, hereby submit said property to a Horizontal Property Regime pursuant to the provision of Chapter 499B, Code of Iowa (2001). In compliance with Sections 499B.3 and 499B.4 (Code of Iowa, 2001), The following declarations are made:

1. The description of the land submitted to this Horizontal Property Regime is as follows:

Lots 5 and 6, Plat of Minnewaukon Park, City of Spirit Lake, Dickinson County, Iowa.

2. The building located on the land submitted to this Horizontal Property Regime is a building consisting of two apartments, each with a full basement. Unit A includes a detached two car garage which may not be sold separately. There is no garage for Unit B. In the event that an owner of Unit B would desire to build a garage approval must be given in writing by both owners of Units A & B. The exterior and the siding on the additional garage must be matching to the existing exterior of the units.

3. The north unit is designated as Unit A and the south unit is designated as Unit B. Unit A consists of approximately 2,128 square feet on two levels with each level being 1,064 square feet. Unit B consists of approximately 1,824 square feet on two levels with each level being approximately 912 square feet.

The unit number of each apartment, its location, dimensions, number of rooms and immediate common area to which it has access is shown on the floor plans attached hereto in compliance with Section 499B.6, Code of Iowa (2001).

4. Ownership of each apartment unit includes ownership of an undivided one-half interest in all general common elements and facilities described herein. The general common elements and facilities shall be owned by the individual apartment owners as tenants in common

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and shall consist of the land on which the building is erected; the foundation of the building; floors, exterior walls, ceilings and roofs of each apartment unit and of the building (except the interior surfaces and except the partition walls within each individual unit); the lawn, landscaping, shrubbery and general improvements to the grounds, lawn; outside electric lighting; wires, conduit and other public utility lines which are utilized for or serve more than one unit; natural gas, sanitary sewer, water and other service lines outside of the building walls which are utilized for or serve more than one unit; and all other devices or installations existing for common use and defined as general common elements by Section 499B.2(5), Code of Iowa (2001).

The general common elements and facilities shall not include, and the owners of each apartment unit shall be deemed to individually own, the cupboards; counters; plumbing fixtures; walls or partitions located within the individual apartment unit; floor, wall and ceiling coverings; light fixtures and other attachments or fixtures deemed to be a permanent part of each apartment unit for the sole use of such unit. The owner of each apartment unit shall be solely responsible for the maintenance, repair or replacement of the plumbing, lighting fixtures, heating and air conditioning equipment, appliances and other equipment contained within or connected to each individual unit for the unit's exclusive use.

In the event wires, pipes, HVAC systems, or other services run through one unit for the service of the other or both units, an easement for maintenance, repair or replacement together with the right of ingress and egress thereto shall exist. In the event it is necessary to access utilities or services in or through a unit other than the unit being served by such utilities or services, the interior surfaces as well as the general common elements and facilities shall be restored to their original condition at the expense of the unit owner for whom such service work was performed.

5. The limited common elements and facilities shall consist of the driveway, walkway and deck adjacent to each unit with ownership of the unit including the driveway and walkway leading to the unit, but excluding the land thereunder which is a part of the general common elements and facilities. The owner of each unit shall have the exclusive use of the driveway and walkway leading to the unit, and the attached deck and shall be solely responsible for the upkeep, maintenance, repair and replacement of the driveway, walkway and deck. The size and location of the limited common elements and facilities may not be changed without an amendment to this

Declaration.

6. The fractional interest which each apartment unit bears to the entire Horizontal Property Regime is one-half ($\frac{1}{2}$). 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 apartment unit.

7. In the event of damage or destruction of all or part of the property, a unanimous vote shall be required by the apartment unit owners to determine whether to rebuild, repair, restore or sell the property.

The apartment unit owners shall cooperate in obtaining such casualty and liability insurance as may be deemed by the owners to be appropriate with the owner of each apartment unit to be equally responsible for the cost of casualty and comprehensive liability coverage for the general common elements and facilities. Each apartment unit shall be individually responsible for such casualty and liability insurance as they deem appropriate for the owner's individual unit. Provided that each unit owner is required to maintain such casualty and liability insurance as shall indemnify the owner of the other unit in the event of casualty.

8. The administration of the Horizontal Property Regime shall be governed by an Owners' Association in accordance with the By-Laws, a copy of which is attached hereto in compliance with Section 499B.14, Code of Iowa (2001). Such administration includes the authority to make an annual and special assessments for the care and maintenance of the Horizontal Property Regime and the failure by an apartment unit owner to pay a properly levied annual or special assessment shall result in and constitute a lien on the respective apartment unit to the extent of such unpaid assessment. A lien for unpaid assessments may be perfected by one officer of the Association filing a written notice thereof with the Dickinson County Recorder. A lien for unpaid assessments may be foreclosed by suit by the Association or its representatives in like manner as a real property mortgage, provided that thirty (30) days written notice of the intent to foreclose shall be mailed, postage prepaid, to the owner at the address shown by the records of the Owners' Association, which shall be the address of the apartment unit unless the owner notifies in writing the Owners' Association and all other owners of a different preferred address. In the event a lien is foreclosed by the Owners' Association or its representatives, the Owners' Association shall be entitled to an award of reasonable attorney fees. Nothing contained in this paragraph shall prohibit

the Owners' Association from proceeding with an action for recovery of a money judgment for the amount of any unpaid assessments, which action shall be maintainable without foreclosing or waiving the lien for unpaid assessments.

No owner may be exempted from liability for annual or special assessments by waiver of the use or enjoyment of the general common elements and facilities or by abandonment of the apartment unit.

No owner shall make any alteration or improvement to any of the general common elements and facilities or remove any portion thereof without the prior consent of the Owners' Association.

No boats, trailers, recreational vehicles, motor homes, campers, motorcycles, all terrain vehicles, snowmobiles, golf carts or bicycles may be parked on the premises or located on any of the general common elements or facilities. The designated parking area is for passenger vehicles or passenger pickup trucks only and no other vehicles or trailers shall be allowed in the parking area other than for a very limited, temporary period of up to seven (7) days. The parking of any prohibited vehicle or trailer on the premises or in the parking area for a period of more than seven (7) days shall be deemed to be a violation of this protective covenant and the president of the Owners' Association is authorized to have such vehicle or trailer removed from the premises or parking area at the owner's expense. In special circumstances, the president may give approval to allow parking of a camper, travel trailer or recreational vehicle in the parking area for a period not to exceed forty-eight (48) hours.

Each owner shall pay the separately metered utility expense to maintain a minimum year round temperature of fifty degrees Fahrenheit (50°F) within the owner's apartment unit and each owner shall be liable to the other owner for any damage to the other owner's unit caused by the failure to maintain a sufficient minimum year round temperature (deemed to be 50°F).

Each owner shall be liable to the Owners' Association and the other owner for the expense of any maintenance, repair or replacement rendered necessary by the negligence of an owner, the owner's family, guests, employees, agents or lessees, which liability shall include any increase in insurance rates resulting therefrom.

9. No owner may permit any animals to be kept on the premises that are in violation of the Zoning Ordinances of the City of Spirit Lake. Additionally, regardless of the provisions

of the City Zoning Ordinance, no unit owner shall have on the premises more than one dog, which shall not exceed twenty-five (25) pounds and no more than one cat. Additionally, there shall not be permitted on the premises any Pit Bulls, Rottweilers, or snakes. Any owner keeping animals on the premises shall be responsible for cleaning up after those animals, and at such time as the animals are not inside the unit they shall be properly restrained or kept on a leash.

10. This Declaration may be amended only in writing duly executed by all owners in the Horizontal Property Regime and filed with the Dickinson County Recorder.

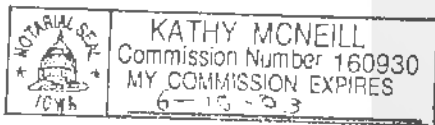
Dated this 17th day of January, 2003, at Spirit Lake, Dickinson County, Iowa.

Sharon R. Caskey
Sharon R. Caskey

Cecil R. Caskey
Cecil Caskey

STATE OF IOWA, DICKINSON COUNTY, ss:

On this 17th day of January, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared Sharon R. Caskey and Cecil Caskey, husband and wife, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



Kathy McNeill
Notary Public

BY-LAWS
OF
LAKE VISTA CONDOMINIUMS
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 Lake Vista Condominiums, 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 a council of co-owners to be known as Lake Vista Condominiums Owners' Association. The Lake Vista Condominiums Owners' Association shall be comprised of two persons, one being an owner of Unit A and the other being an owner of Unit B. In the event either unit has more than one owner, the individual unit shall select the person that will serve as a member of the Owners' Association and submit that name to the Association.

2. The counsel of co-owners to be known as the Lake Vista Condominiums Owners' Association shall be governed as follows:

A. Meetings of the Association shall be held in one of the units or such other suitable place convenient to the owners as may be designated by the owners. By mutual agreement, one of the owners shall be named as president and the other shall be named as secretary. In the event agreement on the officers cannot be reached, the owner of Unit A shall serve as president in the odd numbered years and secretary in the even numbered years with the owner of Unit B serving as president in the even numbered years and secretary in the odd numbered years. The president shall preside over the meeting and the secretary shall keep the minute book wherein all resolutions and other business conducted shall be recorded.

B. The annual meetings of the Association shall be held on the Saturday of Memorial Day weekend each year at 10:00 o'clock a.m. No notice need be given of the Owners' Association Annual Meeting unless a special assessment or amendment to the Declaration or By-Laws is to be discussed and voted upon.

C. Special meetings of the Association may be called by either owner with notice of such special meeting to be given to the other owner 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.

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 two persons. Written proxies designating an owner's vote on a matter or granting another person 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. In order to be approved, any issue properly before the meeting shall require the affirmative vote of both owners.

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

G. If any Association meeting cannot be held because a quorum is not in attendance, the owner who is 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. Proof of notice of meeting and waivers of notice.
- iii. Reading of the minutes of the preceding meeting.
- iv. Report of officers.
- 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 powers and duties of the Owners' Association shall include all the powers and duties existing under Chapter 499B, Code of Iowa (2001), 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 employ attorneys, accountants and such other professional persons as may be necessary to assist in conducting the business of the Owners' Association.

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

J. The members of the Owners' Association shall receive no compensation.

K. If desired by the Association, 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.

L. The president may approve expenditures up to \$100.00 with any

expenditures greater than \$100.00 to be approved by the Owners' Association.

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

i. The president shall be the Chief Executive Officer of the Association.

The president shall preside over all meetings of 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 Association.

ii. There shall be no vice president shall.

iii. The secretary shall keep the minute book wherein resolutions and other business of the Association shall be recorded, and the secretary shall be responsible for giving notice to members of the Owners' Association of all meetings or other matters as may be required by law, the Declaration, By-Laws, or direction of the Owners' Association.

iv. The secretary shall perform the duties of treasurer. The secretary shall keep the books of account of the Owners' Association and shall keep the checkbook of the Association and any other books of deposit. The secretary 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 secretary (acting treasurer).

4. The Owners's Association shall oversee the fiscal management of the property.

A. The Owners' Association, at their annual meeting, shall adopt a budget for each management year which shall run from June 1st through May 31st 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-half ($\frac{1}{2}$) of the annual assessment used to fund the current expenses account. At the annual meeting of the Owners' Association, the secretary 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 two equal payments due on the 1st of July and the 1st of January during each management year.

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 (2001). 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 Owners' Association, acting through the president or secretary, 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 (2001).

D. Special assessments for non-emergency items in the reserve maintenance account shall require the affirmative vote of both unit owners. Special assessments for non-emergency items or special assessments to replenish the current expenses account shall require the affirmative vote of both 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 Owners' Association 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 the affirmative vote of both unit 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.

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 all owners in the Horizontal Property Regime.

6. Deadlock. All resolutions of the Association shall be by unanimous consent. In the event of a dispute or disagreement among the co-owners as to any issue in the administration of the Horizontal Property Regime, such disagreement or dispute shall be settled by arbitration. Each co-owner shall select one arbitrator to represent his interests and these two arbitrators shall mutually agree upon a third arbitrator. In the event arbitration is required, the dispute or disagreement shall be settled by a majority vote of the three arbitrators thus selected and the parties shall be bound by such decision. No arbitrator shall have any interest whatsoever in the Horizontal Property Regime.

IN WITNESS WHEREOF, the undersigned has executed these By-Laws this 17th day of January, 2003, at Spirit Lake, Dickinson County, Iowa.

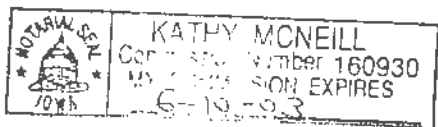
Sharon R. Caskey
Sharon R. Caskey

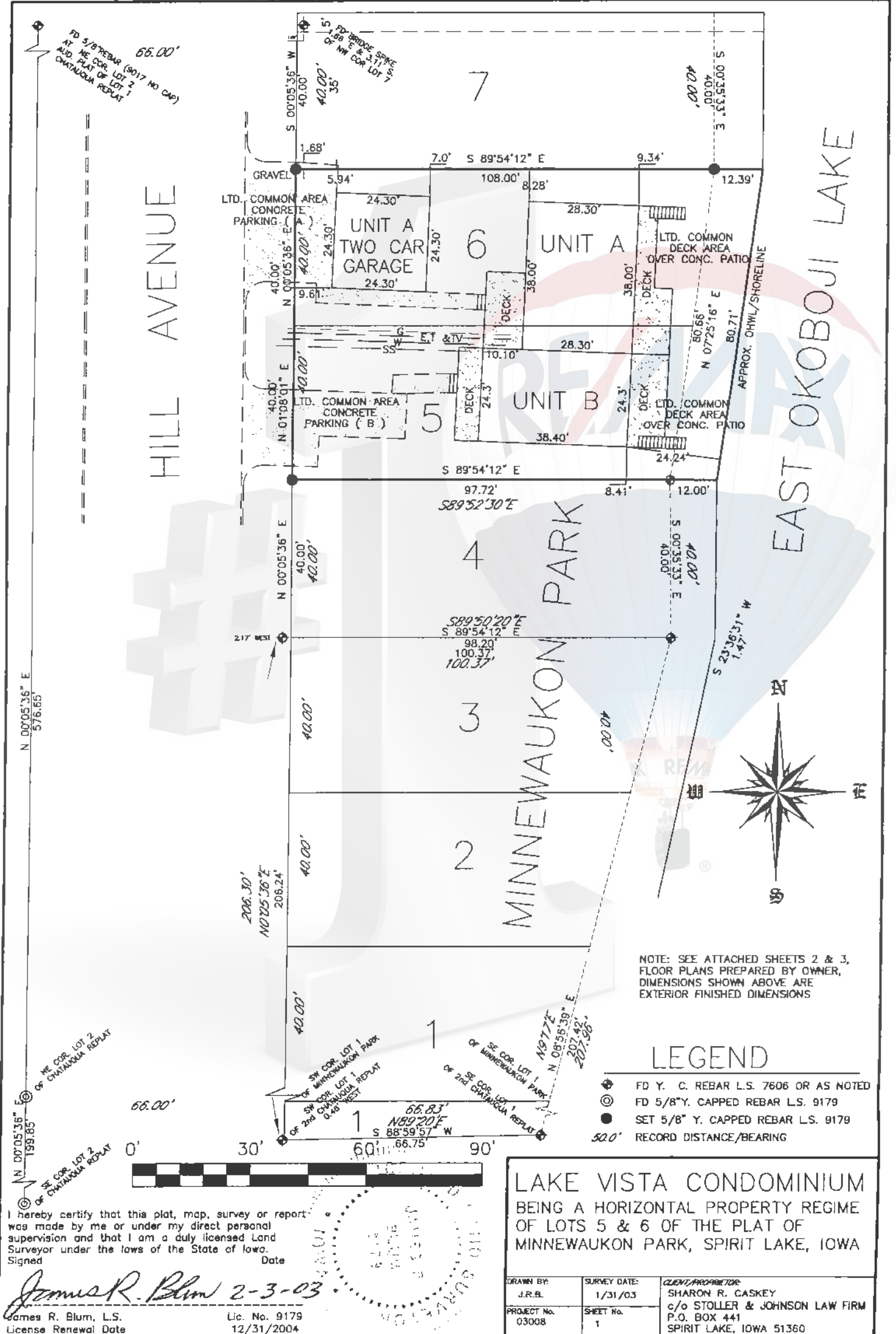
Cecil R. Caskey
Cecil Caskey

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this 17th day of January, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared Sharon R. Caskey and Cecil Caskey, wife and husband, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Kathleen McNeill
Notary Public





I hereby certify that this plat, map, survey or report was made 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.
 Signed *James R. Blum* Date *2-3-03*
 James R. Blum, L.S. Lic. No. 9179
 License Renewal Date 12/31/2004

LAKE VISTA CONDOMINIUM
 BEING A HORIZONTAL PROPERTY REGIME
 OF LOTS 5 & 6 OF THE PLAT OF
 MINNEWAUKON PARK, SPIRIT LAKE, IOWA

DRAWN BY: J.R.B.	SURVEY DATE: 1/31/03	CLIENT/PROBATOR: SHARON R. CASKEY c/o STOLLER & JOHNSON LAW FIRM P.O. BOX 441 SPIRIT LAKE, IOWA 51360
PROJECT No. 03008	SHEET No. 1	

BY-LAWS
OF
LAKE VISTA DUPLEX
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 Lake Vista Duplex, 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 a council of co-owners to be known as Lake Vista Duplex Owners' Association. The Lake Vista Duplex Owners' Association shall be comprised of two persons, one being an owner of Unit A and the other being an owner of Unit B. In the event either unit has more than one owner, the individual unit shall select the person that will serve as a member of the Owners' Association and submit that name to the Association.

2. The counsel of co-owners to be known as the Lake Vista Duplex Owners' Association shall be governed as follows:

A. Meetings of the Association shall be held in one of the units or such other suitable place convenient to the owners as may be designated by the owners. By mutual agreement, one of the owners shall be named as president and the other shall be named as secretary. In the event agreement on the officers cannot be reached, the owner of Unit A shall serve as president in the odd numbered years and secretary in the even numbered years with the owner of Unit B serving as president in the even numbered years and secretary in the odd numbered years. The president shall preside over the meeting and the secretary shall keep the minute book wherein all resolutions and other business conducted shall be recorded.

B. The annual meetings of the Association shall be held on the Saturday of Memorial Day weekend each year at 10:00 o'clock a.m. No notice need be given of the Owners' Association Annual Meeting unless a special assessment or amendment to the Declaration or By-Laws is to be discussed and voted upon.

C. Special meetings of the Association may be called by either owner with notice of such special meeting to be given to the other owner 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.

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 two persons. Written proxies designating an owner's vote on a matter or granting another person 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. In order to be approved, any issue properly before the meeting shall require the affirmative vote of both owners.

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

G. If any Association meeting cannot be held because a quorum is not in attendance, the owner who is 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. Proof of notice of meeting and waivers of notice.
- iii. Reading of the minutes of the preceding meeting.
- iv. Report of officers.
- 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 powers and duties of the Owners' Association shall include all the powers and duties existing under Chapter 499B, Code of Iowa (2001), 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 employ attorneys, accountants and such other professional persons as may be necessary to assist in conducting the business of the Owners' Association.
- I. To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the common areas and facilities.
- J. The members of the Owners' Association shall receive no compensation.
- K. If desired by the Association, 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.
- L. The president may approve expenditures up to \$100.00 with any expenditures greater than \$100.00 to be approved by the Owners' Association.

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

i. The president shall be the Chief Executive Officer of the Association.

The president shall preside over all meetings of 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 Association.

ii. There shall be no vice president shall.

iii. The secretary shall keep the minute book wherein resolutions and other business of the Association shall be recorded, and the secretary shall be responsible for giving notice to members of the Owners' Association of all meetings or other matters as may be required by law, the Declaration, By-Laws, or direction of the Owners' Association.

iv. The secretary shall perform the duties of treasurer. The secretary shall keep the books of account of the Owners' Association and shall keep the checkbook of the Association and any other books of deposit. The secretary 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 secretary (acting treasurer).

4. The Owners's Association shall oversee the fiscal management of the property.

A. The Owners' Association, at their annual meeting, shall adopt a budget for each management year which shall run from June 1st through May 31st 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-half ($\frac{1}{2}$) of the annual assessment used to fund the current expenses account. At the annual meeting of the Owners' Association, the secretary 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 two equal payments due on the 1st of July and the 1st of January during each management year.

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 (2001). 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 Owners' Association, acting through the president or secretary, 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 (2001).

D. Special assessments for non-emergency items in the reserve maintenance account shall require the affirmative vote of both unit owners. Special assessments for non-emergency items or special assessments to replenish the current expenses account shall require the affirmative vote of both 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 Owners' Association 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 the affirmative vote of both unit 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.

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 all owners in the Horizontal Property Regime.

6. Deadlock. All resolutions of the Association shall be by unanimous consent. In the event of a dispute or disagreement among the co-owners as to any issue in the administration of the Horizontal Property Regime, such disagreement or dispute shall be settled by arbitration. Each co-owner shall select one arbitrator to represent his interests and these two arbitrators shall mutually agree upon a third arbitrator. In the event arbitration is required, the dispute or disagreement shall be settled by a majority vote of the three arbitrators thus selected and the parties shall be bound by such decision. No arbitrator shall have any interest whatsoever in the Horizontal Property Regime.

IN WITNESS WHEREOF, the undersigned has executed these By-Laws this _____ day of _____, 2001, at Spirit Lake, Dickinson County, Iowa.

Sharon R. Caskey

STATE OF IOWA, COUNTY OF DICKINSON. ss:

On this _____ day of _____, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Sharon R. Caskey, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

Notary Public