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BY-LAWS OF THE COUNCIL OF CO-OWNERS OF
THE HORIZONTAL PROPERTY REGIME (CONDOMINIUM) KNOWN AS
NORTHBAY

ARTICLE I.

Condominium Plan of Apartment Ownership

Section 1. APARTMENT OWNERSHIP. The property located at North Bay, Dickinson County, Iowa, known as Northbay, is submitted to the provisions of Chapter 499B of the 1971 Code of Iowa.

Section 2. APPLICABILITY OF BY-LAWS. The provisions of these By-laws are applicable to the property. The term "property" as used herein shall include both the land and the building or buildings located thereon.

Section 3. PERSONAL APPLICATION. All present or future owners, tenants, or their employees, or any other person that might use the facilities of the condominium in any manner, are subject to the regulations set forth by these By-laws. The mere acquisition or rental of any of the apartments of the condominium or the mere act of occupancy of any of said apartments will signify that these By-laws are accepted, ratified, and will be complied with.

ARTICLE II.

Voting, Majority of Owners, Quorum, Proxies

Section 1. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the owner or owners of each apartment is entitled is the percentage assigned to the apartment in the Declaration.

Section 2. MAJORITY OF OWNERS. As used in these By-laws, the term "majority of owners" shall mean those owners holding 75% of the votes in accordance with the percentages assigned in the Declaration.

Section 3. QUORUM. Except as otherwise provided in these By-laws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

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Section 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Article III.

Council of Co-Owners

Section 1. OWNERS - QUALIFICATION. Each owner as said term is defined in the Declaration of Establishment, shall become a member of the Council of Co-Owners immediately upon becoming qualified as an "owner" as said term is defined in said Declaration. Such membership shall forthwith terminate upon the cessation of such qualification.

Section 2. PLACE OF MEETINGS. Meetings of the Council of Co-Owners shall be held at the apartment of the President of the Board of Administration or such other suitable place convenient to the owners as may be designated by the President.

Section 3. ORGANIZATIONAL MEETING. There shall be held not later than November 1, 1975 an organizational meeting of the Council of Co-Owners which shall elect the Board of Administration and take up such further business as may properly come before said meeting.

Section 4. ANNUAL MEETINGS. The first annual meeting of the Council of Co-Owners shall be held on November 1, 1975. Thereafter the annual meeting of the Council of Co-Owners shall be held on the Friday next preceding Labor Day of each succeeding year. At such meetings there shall be elected by ballot of the owners, members of the Board of Administration in accordance with the requirement of Article IV of these By-laws. The owners may at the annual meeting also transact such other business of the Council as may properly come before them.

Section 5. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Council of Co-Owners upon a petition signed by a majority of the owners, as said term is defined in Section 2, Article II of the By-laws, being presented to the Secretary. The notice of any such special meeting

shall state the time and place of such meeting and the purpose thereof.

Section 6. NOTICE OF MEETINGS. It shall be the duty of the Secretary or his designate to mail a notice of each annual meeting or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least five days but not more than thirty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. WAIVER OF NOTICE. Before or at any meeting of the Council of Co-Owners, any owner may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an owner at any meeting of the Council shall be a waiver of notice by him of the time and place thereof. If all the owners are present in person or by proxy at the meeting of the Council, no notice shall be required and any business may be transacted at such meeting.

Section 8. ADJOURNED MEETINGS. If any meetings of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four hours nor more than one week from the time the original meeting was called.

Section 9. ORDER OF BUSINESS. The order of business at all annual meetings of the owners of apartments shall be as follows:

- a. roll call
- b. proof of notice of meeting or waiver of notice
- c. reading the minutes of preceding meeting
- d. reports of officers
- e. reports of committees
- f. election of Board of Administration
- g. unfinished business
- h. new business

ARTICLE IV.

Administration

Section 1. BOARD OF ADMINISTRATION - NUMBER AND QUALIFICATION.

The affairs of the condominium shall be governed by a Board of Administration. The Board of Administration shall be composed of not less than three or more than five persons, all of whom shall be owners or spouses of owners of apartment units, or, in a case of corporate owners, shall be officers, stockholders, or employees of such corporation, or in the case of fiduciary owners shall be the fiduciaries, or officers, employees or agents of such fiduciaries. The original Board shall consist of three in number. Whenever the number composing the Board shall be increased, the original terms of the new members shall be fixed to the end that at least one-half of the members of the Board shall be elected in even numbered years and the balance in odd numbered years.

Section 2. PLACE OF MEETINGS. Meetings of the Board of Administration shall be held at the apartment of the President of the Board or such other suitable place convenient to the owners as may be designated by the President.

Section 3. ORGANIZATIONAL MEETINGS. There shall be held not later than November 1, 1975, immediately following the adjournment of the organizational meeting of the Council of Co-Owners, an organizational meeting of the Board of Administration for the purpose of electing officers to act until the first annual meeting. The Board at the organizational meeting may also transact such other business as may properly come before it.

Section 4. ANNUAL MEETINGS. The first annual meeting of the Board shall be held on November 1, 1975. Thereafter, the annual meeting of the Board shall be held on the Friday next preceding Labor Day of each succeeding year immediately following the adjournment of the annual meeting of the Council of Co-Owners. At such meetings there shall be elected by ballot of the Board, officers of the Board of Administration in accordance with the requirement of Article V of these By-laws. The Board may at the annual meeting also transact such other business of the Board as may properly come before it.

Section 5. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Board upon a petition signed by a majority of the Board being presented to the Secretary. Notice of any such special meeting shall state the time and place of such meeting and the purpose thereof, and shall be furnished in the manner set forth in Section 6 hereof.

Section 6. NOTICE OF MEETINGS. It shall be the duty of the Secretary or his designate to mail a notice of each annual meeting or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each member of the Board at least five days but not more than thirty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. WAIVER OF NOTICE. Before or at any meeting of the Board, any member thereof may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present in person or by proxy at any meeting of the Board, no notice shall be required and any lawful business may be transacted at such meeting.

Section 8. ADJOURNED MEETINGS. If any meetings of the Board cannot be organized because a quorum has not attended, the presiding officer who is present, may adjourn the meeting to a time not less than twenty-four hours nor more than one week from the time the original meeting was called.

Section 9. ORDER OF BUSINESS. The order of business at all annual meetings of the Board of Administration shall be as follows:

- a. roll call
- b. proof of notice of meeting or waiver of notice
- c. reading the minutes of preceding meeting
- d. reports of officers
- e. report of committees
- f. election of officers

g. unfinished business

h. new business

Section 10. CONDUCT OF BUSINESS WITHOUT A MEETING. Ordinary business and decisions and resolutions of the Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item of business or the decisions or resolutions is reduced to writing, signed by a majority of the Board, and filed with the Secretary of the Board, who shall keep said writing with the minutes of the meetings of the Board.

Section 11. POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of all of the affairs of Northbay and may do all such acts and things as are not by law or by the Declaration or these By-laws prohibited.

Section 12. OTHER DUTIES. In addition to duties imposed by these By-laws the Board shall be responsible for the following:

- a. Care, upkeep and surveillance of the property and the general common elements and facilities, including care, upkeep and surveillance of common docks, waterfront and common elements on, in or adjacent to the water area and lake frontage abutting the common property, and the regulation of use thereof by the owners.
- b. Collection of monthly assessments from the owners.
- c. Designation and dismissal of the personnel necessary for the maintenance and operation of the property, the general common elements and facilities and any limited common elements and facilities.
- d. The approval or disapproval of the type, design and style of a boat hoist installed by an owner in the adjacent water area. No unapproved boat hoist shall be permitted.

Section 13. MANAGEMENT AGENT. The Board may employ a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 12 of this Article.

Section 14. FIDELITY BONDS. The owners may require that any officers, assistant officers or employees of the Board handling or responsible for Board funds shall furnish adequate fidelity bond. The premium on such bonds, if required, shall be paid by the Board.

Section 15. AUDIT OF ACCOUNTS. An audit of the accounts of the Board shall be made annually by a board approved accountant and a copy of the audit report shall be furnished to each member not later than thirty (30) days after receipt from the accountant.

ARTICLE V.

Officers

Section 1. ELECTION OF OFFICERS. The officers of the Board of Administration shall be elected annually by the Board of Administration at the annual meeting and shall hold office at the pleasure of the Board. Such officers shall also serve as officers of the Council.

Section 2. DESIGNATION. The principal officers of the Board of Administration shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and be themselves members of the Board and shall serve as such officers without compensation. Any member of the Board may at the same time hold the positions of any two officers, except President and Vice-President. The Board may appoint an assistant treasurer and an assistant secretary, who need not be themselves members of the Board, if in the judgment of the members of the Board they deem same to be necessary, and may provide for payment of compensation to an assistant treasurer or an assistant secretary.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer or an assistant thereto may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Board and the Council. He shall preside at all meetings of the Council and of the Board of Administration. He shall have all of the general powers and duties which are usually vested in the office of president of a council and the president of a board, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is

appropriate to assist in the conduct of the affairs of the Council or of the Board.

Section 5.. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Administration shall appoint some other member of the Board to so do on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Council of Co-Owners, or the Board of Administration.

Section 6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Council of Co-Owners and all meetings of the Board of Administration; he shall have charge of such books and papers as the Council of Co-Owners or Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. TREASURER. The Treasurer shall have responsibility for Council funds and securities and Board funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of the Council and of the Board in books belonging to the Council or to the Board. He shall also be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Council or to the credit of the Board in such depositories as may from time to time be designated by the Council or the Board of Administration. Expenditures of funds of the Council or of the Board up to the sum of \$100.00 for any one item may be made by the Treasurer without prior approval of the Board of Administration; however, an expenditure exceeding the sum of \$100.00 must have the approval of a simple majority of the Board of Administration.

ARTICLE VI.

Obligations of the Owners.

Section 1. ASSESSMENTS. All owners are obligated to pay monthly assessments imposed by the Board of Administration to meet all property communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of tornado, fire, earthquake or other hazard. For the purpose of determining the amount of, and collecting said assessments, the Board of Administration is constituted as the agent of the Council of Co-Owners with all powers in relation thereto as is conferred by Chapter 499B of the 1971 Code of Iowa. The assessments shall be made pro rata on the basis of 1/8. Such assessments shall include monthly payments to a general operating reserve fund, part of which may be allocated to a reserve fund for contingencies. Each owner will voluntarily pay said monthly assessments to the Treasurer or his designate not later than the tenth of each month, and upon failure to do so shall be subject to the provisions of Section 499B.17 of the 1971 Code of Iowa dealing with the collection of common expense assessed by the Council. Assessments not paid when due shall draw interest at the maximim rate allowed under Iowa law. All owners shall pay before they become delinquent the real property taxes and special assessments which will be levied on their respective apartments under the provisions of Section 499B.11 of the 1971 Code of Iowa. All utilities such as water and electricity used in each apartment shall be metered separately, and the expense of said utilities shall be paid by the owner of the apartment directly to the supplier or suppliers thereof, provided, however, that the water used for the sprinkling of the lawn shall be metered separately from the water used in the apartments and the expense of the water used for watering the lawn shall be one of the property communal expenses to be shared by all the owners.

Section 2. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS OR SPECIAL USE. In addition to the annual assessment authorized by Section 1 hereof, the Board may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessments in excess of \$1,000.00 per project shall have the assent of two-thirds of the votes of the entire voting membership of the Council of Co-Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent by ordinary mail to each member at his last known address at least ten days in advance and shall set forth the purpose of the meeting. The Board of Administration may likewise levy a special assessment against any member or members for services or equipment provided for the special use of such member. An example being for the care and maintenance of the individual members boat hoist or boat slip. The Board shall after ten days written notice to the member, mailed by ordinary mail to his last known address, have authority to levy an assessment against any member for maintenance, service or repair of any such equipment or property individually or specially used by said member. Said assessment shall be due on the date specified by the Board. Upon mailing to the member's last known address such notice shall be deemed complete for computation of time of service.

Upon the assent of two-thirds of the votes of the entire voting membership of the Council of Co-Owners the Board may levy annual assessments over an approved period of years for the purpose of the amortization of the cost and expense of capital improvements; and after such assent the Board may borrow money to defray the cost of such authorized capital improvements and pledge the common elements and the authorized annual assessments to secure payment of the money borrowed for such authorized purpose.

Section 3. MAINTENANCE AND REPAIR.

a. Every owner must perform promptly all maintenance and repair work to facilities or installations serving his apartment, which if omitted would affect the property in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

b. All the repairs of internal installations of each apartment such as water, light, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps and all other accessories serving or belonging to the apartment shall be at the owner's expense.

c. An owner shall reimburse the Board for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 4. USE OF APARTMENTS - INTERNAL CHANGES

a. All apartments shall be utilized for residential purposes only.

b. An owner shall not make structural modifications or alterations in his apartment or installations located therein without previously notifying the Board of Administration in writing, through the management agent, if any, or through the President of the Board of Administration if no management agent is employed. The Board of Administration shall have the obligation to answer within thirty days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 5. RIGHT OF ENTRY

a. An owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Administration in case of any emergency originating in or threatening his apartment, whether the owner is present at the time or not.

b. An owner shall permit other owners, or their representatives, when so required, to enter his apartment for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 6. RULES OF CONDUCT. No resident of the property shall post advertisements or posters of any kind in or on the property except as authorized by the Board.

Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

No owner, resident or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, etc., on the exterior of the property or that protrude through the walls or the roof of the property except as authorized by the Board.

No nuisances shall be allowed upon the property, nor any use or practice which is a source of nuisance to the occupants or injurious to the reputation of the condominium complex or which interferes with the peaceful possession and proper use of the property by the members.

No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Residents keeping domestic animals will abide by municipal sanitary regulations, and no more than one pet may be kept by an owner on the property at any one time.

Section 7. SALES AND LEASES. No unit owner may sell or lease his apartment unit or any interest therein except by complying with the provisions of this Section. A unit owner's sale of apartment unit shall include the sale of (a) the undivided interest in common elements appurtenant thereto; (b) the interest of such unit owner in any apartment unit theretofore acquired by the Council of Co-Owners, or its designee on behalf of all unit owners, or the proceeds of the sale of lease thereof, if any; and (c) the interest of such unit owner in any other assets of the condominium hereinafter collectively called the "appurtenant interest".

Any unit owner who received a bona fide offer for the sale or lease of his apartment unit, hereinafter called an "outside offer", which he intends to accept, shall give notice to the Board of Administration of such offer and of such intention, the name and address of the proposed purchaser or leasee, the terms of the proposed transaction and such other information as the Board of Administration may reasonably require, and shall offer to sell or to lease such apartment unit to the Council of Co-Owners or its designee, corporate or otherwise, on behalf of the owners of all other apartment units, on the same terms and conditions as contained in such outside offer. The giving of such notice shall constitute a warranty in representation by the unit owner who has received such offer, to the Council of Co-Owners that such unit owner believes that outside offer to be bona fide in all respects. Within fifteen (15) days after receipt of such notice, the Council of Co-Owners may elect by majority affirmative vote, by notice to such unit owner, to purchase or to lease such apartment unit as the case may be, or to cause the same to be purchased or leased by its designee, corporate or otherwise, on behalf of all of the unit owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the unit owner. In the event the Council of Co-Owners shall elect to purchase or to lease such apartment unit or to cause the same to be purchased or leased by its designee, title shall pass thirty (30) days after the giving of notice by the Council of Co-Owners of its election to accept such offer. At the closing, the unit owner, if such apartment unit is to be sold, shall convey the same to the Council of Co-Owners or to its designee by deed. In the event such apartment unit is to be leased the offering unit owner shall execute and deliver to the Council of Co-Owners or to its designee, a lease between the unit owner as landlord, and the Council of Co-Owners, or its designee, as tenant, covering said apartment unit, on the terms and conditions contained in such outside offer. In the event the

Council of Co-Owners or its designee shall fail to accept such offer within thirty (30) days, the unit owner shall be free to contract to sell or to lease such apartment unit, as the case may be, to the outside offeror within sixty (60) days after the expiration of the period in which the Council of Co-Owners or its designee might have accepted such offer, on the terms and conditions set forth in the notice from the unit owner to the Board of Administration of such outside offer.

Any deed to an outside offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-laws, and the rules and regulations as the same may be amended from time to time. Any lease to an outside offeror shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board of Administration, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Administration, and that the Board of Administration shall have power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. In the event the offering unit owner shall not, within such sixty (60) day period, contract to sell or to lease such apartment unit, as the case may be, to the outside offeror on the terms and conditions contained in the outside offer, or if such a contract is entered into but not fulfilled, then the unit owner shall be required to again comply with all of the terms and provisions of this Section in order to sell or to lease the apartment unit.

No leases shall be made for a term of less than three(3) months for any of the units.

Any purported sale or lease of an apartment unit in violation of this Section shall be voidable at the election of the Council of Co-Owners.

Section 8. RELEASE BY BOARD OF ADMINISTRATION ON BEHALF OF THE COUNCIL OF CO-OWNERS OF RIGHT OF FIRST REFUSAL. The right of first refusal contained in Section 7 of this Article VI may be released or waived by the Board of Administration on behalf of the Council of Co-Owners, in which event the apartment unit may be sold, conveyed or leased free and clear of the provisions of such Section.

Section 9. CERTIFICATE OF TERMINATION OF RIGHT OF FIRST REFUSAL. A certificate, executed and acknowledged by the Board of Administration on behalf of the Council of Co-Owners stating that the provisions of Section 7 and Section 8 of this Article VI have been met by a unit owner, or have been duly waived by the Council of Co-Owners, or the Board of Administration acting on behalf of the Council, and that the rights of the Council of Co-Owners thereunder have terminated, shall be conclusive, upon the Council of Co-Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section 7 of this Article VI or in respect to whom the provisions of said Section have been waived, upon request, at a reasonable fee, not to exceed Twenty-five Dollars (\$25.00).

ARTICLE VII.

Mortgages

Section 1. NOTICE TO COUNCIL. An owner who mortgages his apartment shall notify the Board of Administration through the management agent, if any, or the President of the Board in the event there is no management agent, the name and address of his mortgagee; and the Board shall maintain such information in a book entitled "Mortgagees of Apartments".

Section 2. NOTICE OF UNPAID ASSESSMENTS. The Board shall, at the request of a mortgagee of an apartment, report any unpaid assessments due from the owner of such apartment.

ARTICLE VIII.

Amendments

These By-laws may be amended by the Council in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 75% of the total percentage assigned to all apartments in the condominium as shown in the Declaration, and duly recorded in the Dickinson County, Iowa Recorder's Office as an amendment to these By-laws and the foregoing Declaration of Establishment of a Horizontal Property Regime (Condominium) to be known as Northbay.

ARTICLE IX.

Compliance and Severability

These By-laws are set forth to comply with the requirements of Chapter 499B of the 1971 Code of Iowa. In case any of these By-laws conflict with the provisions of said statute or any other rule of law, it is hereby agreed and accepted that the provisions of the statute or law will apply and By-laws conflicting therewith shall be deemed inoperative and null and void without invalidating the remaining By-laws.

EXHIBIT B

EXHIBIT B

Descriptions for Building & Common Areas on Lots 10 & 11 of the Plat of North Bay, Dickinson County, Iowa.

BUILDING AREA - Part of Lots 10 and 11 of the Plat of North Bay, Dickinson County, Iowa described as follows:

Commencing at the Northeasterly corner of Lot 11 of the Plat of North Bay; thence South $10^{\circ}15'37''$ West along the Easterly line of said Lot 11 a distance of 54.00 feet; thence North $79^{\circ}44'23''$ West a distance of 8.00 feet to the point of beginning; thence South $10^{\circ}15'37''$ West a distance of 31.00 feet; thence North $79^{\circ}44'23''$ West a distance of 5.00 feet; thence South $10^{\circ}15'37''$ West a distance of 34.00 feet; thence North $79^{\circ}44'23''$ West a distance of 32.00 feet; thence North $10^{\circ}15'37''$ East a distance of 29.50 feet; thence North $79^{\circ}44'23''$ West a distance of 10.00 feet; thence South $10^{\circ}15'37''$ West a distance of 29.50 feet; thence North $79^{\circ}44'23''$ West a distance of 32.00 feet; thence North $10^{\circ}15'37''$ East a distance of 34.00 feet; thence North $79^{\circ}44'23''$ West a distance of 5.00 feet; thence North $10^{\circ}15'37''$ East a distance of 31.00 feet; thence South $79^{\circ}44'23''$ East a distance of 84.00 feet to the point of beginning, containing 4825.0 square feet.

COMMON AREA - All of Lots 10 and 11 of the Plat of North Bay, Dickinson County, Iowa except the building area as described above.

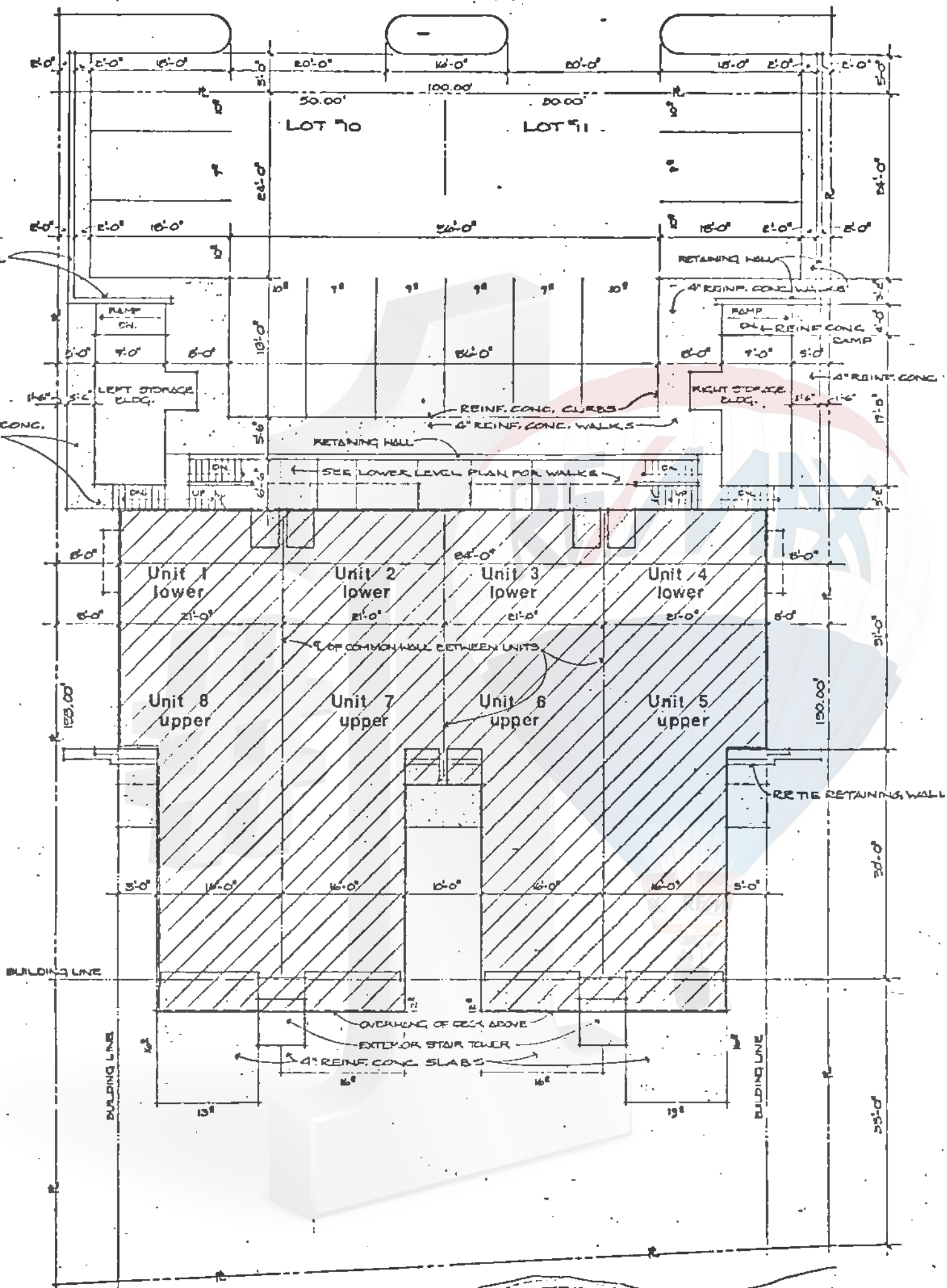
I hereby certify that this plat, map, survey or report was made by me or under my direct personal supervision and that I am a duly registered Land Surveyor under the laws of the State of Iowa.

Signed

Date

K. D. Westergard 5-4 1974

K. D. WESTERGARD, L.S. Iowa Reg. No. 3869



SITE PLAN

SCALE: 1" = 10'



Common Area



Building Area

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 registered Land Surveyor under the laws of the State of Iowa.

Signed R. D. Westenshaw Date 5-4 1974

R. D. WESTENSHAW, L.S. Iowa Reg. No. 5009

Filed at 11:20 A.M.

April 25, 1998

#2132

FEE \$5.00

(Recorders note - these signatures were not acknowledged by a Notary Public)

be it resolved that the Declaration of a Horizontal Property Regime (condominium) to be known as Northbay be amended as follows: Said fire insurance and extended coverage as previously mentioned shall include coverage for items permanently affixed to the subject buildings including but not limited to kitchen cabinets, sinks, stools, tubs, shower stalls, cabinet tops, permanently installed light fixtures and ceiling fans, and dividing walls attached to exterior walls.

Apt. #1 Vandewateren
Deb Van Meeteren

Catherine Van Meeteren

Apt. #2 Giddings
W. G. Giddings

Judith A. Giddings

Apt. #3 Michalak
Mary Michalak

Mary Michalak

Apt. #4 Parks
W. E. Parks

W. E. Parks

Apt. #5 Pearsall
Charles L. Pearsall

Charles L. Pearsall

Apt. #6 Benson
Emily B. Benson

Emily B. Benson

Apt. #7 Vogt
Wesley H. Vogt

Wesley H. Vogt

Apt. #8 Jenkins
Barbara Jenkins

Barbara Jenkins

INSTR. NO. 2132

PK _____

1998 APR 25 AM 11:20

VIOLA HAGGERTY REC
 DICKINSON COUNTY, IOWA

FEE \$ 5.00

MISC. R

Filed at 3:38 P.M.

July 28, 1975

FEE \$4.50

#1800

Section 6 of Article VI "Obligations of the Owners", of the By-laws of the Council of Co-Owners of the Horizontal Property Regime (Condominium) known as Northbay, shall be Amended by addition of the following:

The keeping of a dog or other pet at Northbay is not a right of the Owner, but is a conditional license available only to the Owner, as such, in residence, and is solely applicable to those dogs and other pets which are being taken into the premises by the Owner on the date of the first occupancy, and such dogs and other pets shall not be replaced. Therefore, subject to the foregoing, no Owner of an apartment other than the original Owner thereof may keep a dog or other pet at Northbay. This conditional license is subject to be terminated at any time by the Board of Administration upon a determination that such dog or other pet is vicious, is annoying to other Owners, or has otherwise become a nuisance. The Owner having a dog or other pet assumes full liability for all damage to persons or property caused by such dog or other pet, or resulting from the presence of such dog or other pet at Northbay.

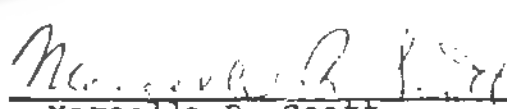
A conditional license to keep a dog or other pet at Northbay is granted to an original Owner in residence (not to a Lessee) subject to the foregoing conditions and reservations and also to the following conditions:

- (a) Owner's pet shall be of a size to be comfortably transported in one's arms, as determined by the Board of Administration.
- (b) A lessee of an Owner shall never be permitted to keep a dog or other pet at Northbay.

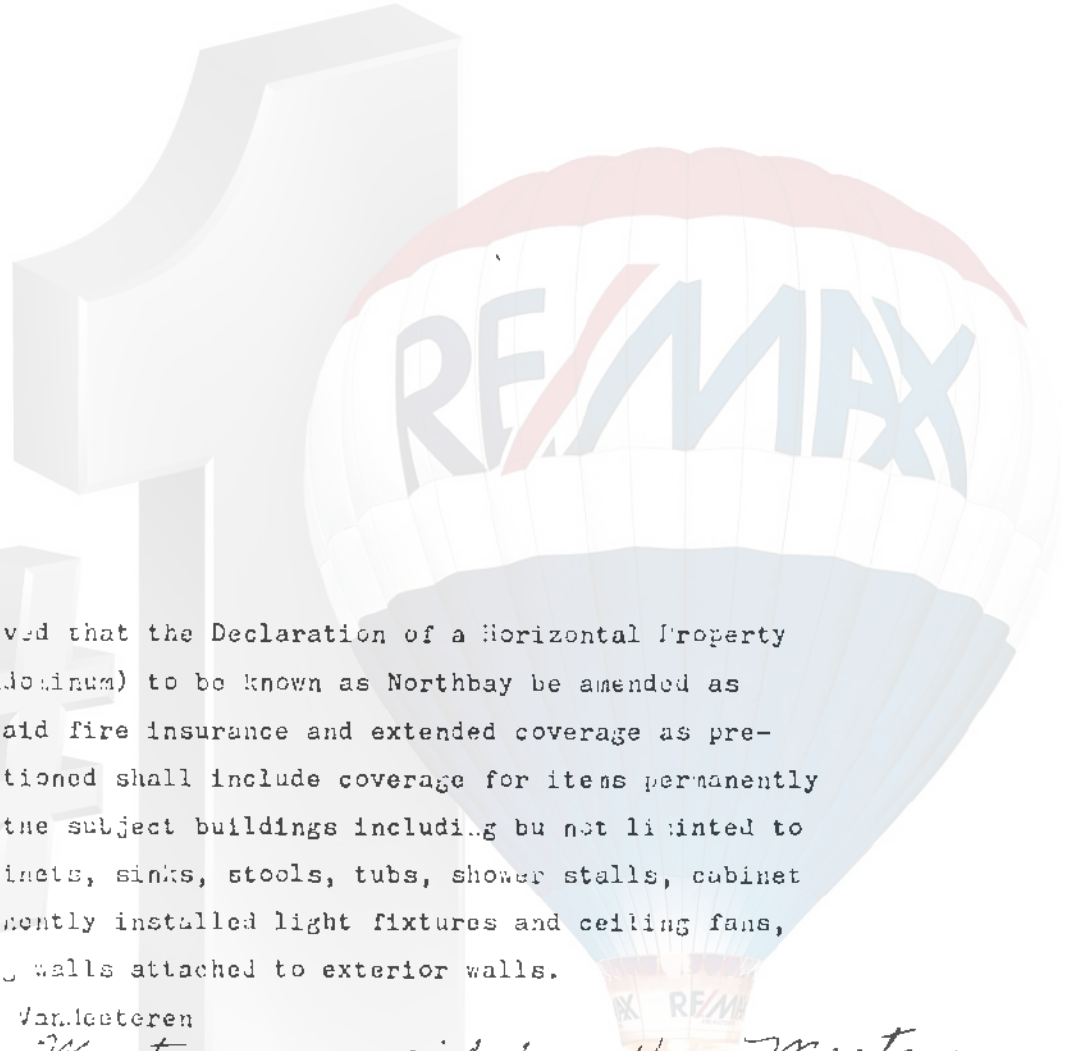
- (c) Visitors may be accompanied by their pets so long as their pets are hand leashed when not in an Owner's residence.
- (d) The Owner of an apartment wherein a pet is kept shall, at all times, make certain that such pet shall refrain from barking or making other noises that may be audible outside the confines of the apartment.
- (e) Each Owner of a pet is responsible for full compliance with the foregoing.

In accord with the provisions of Article VIII of the By-Laws of the Council of Co-owners of the Horizontal Property Regime known as "Northbay" the fore-stated amendment has been made and duly recorded in the minutes of the Organization meeting held Saturday, July 19, 1975.


B. H. Benson, President


Marcella R. Scott
Secretary, Treasurer

(Recorders note - these signatures were not acknowledged
a Notary public)



be it resolved that the Declaration of a Horizontal Property
Regime (condominium) to be known as Northbay be amended as
follows: Said fire insurance and extended coverage as pre-
viously mentioned shall include coverage for items permanently
affixed to the subject buildings including but not limited to
kitchen cabinets, sinks, stools, tubs, shower stalls, cabinet
tops, permanently installed light fixtures and ceiling fans,
and dividing walls attached to exterior walls.

Apt. #1 VanMeesteren
Deb Van Meesteren

Catherine Van Meesteren

Apt. #2 Giddings
V. Giddings

Judith A. Giddings

Apt. #3 Michalak
Mary Michalak

Mary Michalak

Apt. #4 Parks
W. E. Parks

W. E. Parks

Apt. #5 Pearsall
Charles L. Pearsall

Charles L. Pearsall

Apt. #6 Benson
Emily W. Benson

Emily W. Benson

Apt. #7 Vogt
Lee H. Vogt

Lee H. Vogt

Apt. #8 Jenkins
Barbara Jenkins

Barbara Jenkins

INSTR. NO. 2132

PK _____

1998 APR 25 AM 11:20

VIOLA HAGG DORN RE
DICKINSON COUNTY, IOWA

FEE \$ 5.00

DECLARATION OF ESTABLISHMENT OF A HORIZONTAL PROPERTY
REGIME (CONDOMINIUM) TO BE KNOWN AS NORTHBAY

WHEREAS, Stockdale, Inc., hereinafter referred to as "grantor" is the owner of a parcel of real property located in North Bay, Dickinson County, Iowa, which has under construction a Condominium Complex located thereon; and

WHEREAS, said grantor desires to submit said real property and the eight units in one structure located thereon to a Horizontal Property Regime (Condominium) to be known as Northbay, and submit to the provisions of Chapter 499B of the 1971 Code of Iowa, thereby establishing a plan for individual ownership of the area or space contained in each apartment in said structure and the co-ownership of all the remaining real property by the individual owners as tenants in common.

NOW, THEREFORE, said grantor makes the following declaration in accordance with and as provided by Section 499B.4 of the 1971 Code of Iowa, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding on the grantor herein, all subsequent owners of all or any part of said real property and improvements and their grantees, successors, heirs, executors, administrators, devisees or assigns:

1. The description of the land to be subject to this Horizontal Property Regime (Condominium) is as follows:

Lot Ten (10) in the Plat of North Bay, Dickinson County, Iowa, and Lot Eleven (11) in the Plat of North Bay, Dickinson County, Iowa.

2. The buildings located on said land are one structure containing a total of eight individual apartments with parking facilities for each apartment as herein set forth:

The eight units are arranged in one building as shown on Exhibit B attached hereto and made a part hereof. Construction is wood frame construction with brick trim and dividing walls. Second floor unit floors are topped with 1-5/8" concrete. Interior walls

built with plastic laminate tops. Drives and guest parking are concrete. For further particulars, see the building plans attached hereto, marked Exhibit A and made a part hereof.

3. A description of each apartment which shall hereafter be individually owned and conveyed as a separately designated and legally described freehold estate follows:

Each unit contains a living-dining area approximately 15' x 20' with a raised brick hearth and fireplace; one master bedroom approximately 14' x 11' with 8' closet, full bath, and walk out patio with sliding glass doors; one bedroom approximately 12' x 10'2" with closet; a hallway and hallway closet; linen closet; a full bath approximately 11½' x 5½' with utility closet. Each kitchen will be originally equipped with Frigidaire refrigerator/freezer, self cleaning range/oven and built in trash compactor; built in Kitchen Aid dishwasher; a disposer in a special sink with sprayer; and ventilation fan over the range. Each unit has oak cabinets throughout (including bathrooms), central air conditioning systems, thermopane windows and sliding glass doors, deluxe lighting equipment and fixtures, and additional storage facilities. The first floor units have step down living rooms and heavy beamed ceilings. The second floor units have high vaulted beamed ceilings. Each unit contains approximately 1100 square feet of living area and has parking facilities.

- A. Apartment Unit #1 is located on the west end of the first floor of the building.
- B. Apartment Unit #2 is located in the center of the building adjacent to Unit #1 on the first floor.
- C. Apartment Unit #3 is located in the center of the building on the first floor adjacent to Unit #4.
- D. Apartment Unit #4 is located on the east end of the building on the first floor.
- E. Apartment Unit #5 is located on the second floor on the east end of the building directly over Unit #4.

G. Apartment Unit #7 is located on the second floor directly over Unit #2.

H. Apartment Unit #8 is located on the west end of the building directly over Unit #1.

The mailing address for each apartment is:
R.R. #3, Spirit Lake, Iowa 51360.

For further particulars regarding the location and makeup of each apartment assigned thereto see the plans attached hereto and marked Exhibits A and B.

The ownership of an apartment carries with it ownership of an undivided one-eighth interest in all common elements and facilities as defined herein. (Exhibit B shows the apartment building labeled with unit numbers and lower or upper designations and all areas covering the building itself which are NOT designated comprises "all common elements and facilities".)

The term "owner" as used herein and in the By-laws of Northbay shall be construed to be the record owner of the title to a unit of this condominium and shall include a contract purchaser in possession. In the event of multiple, corporate or fiduciary ownership of a unit, the several owners, or the entity in ownership, shall designate a person to act as "owner" in connection with the voting rights and administration referred to in this Declaration of the By-laws. The name and address of the person so designated shall be filed with the Secretary of the Board of Administration. Any and all notices to be given by the Council, the Board of Administration or any of its officers, shall be deemed properly served on the owners of the respective units if given in the manner provided for herein to such designated person. Each unit shall be entitled to have one vote but not more than one.

4. The owner of an apartment shall not be deemed to own pipes, wires, conduits or other public utility lines running through his apartment which are utilized for or serve more than one apartment except as a tenant in common with the owner or owners or any other apartment or apartments which said pipes, wires, conduits, or other public utility lines may serve. The owner of an apartment shall, however, be deemed to own the walls and partitions which are

decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including dry wall, paint, wallpaper, linoleum, carpeting, etc., which are deemed to be a permanent part of each apartment which may be repaired and/or replaced by the apartment owner, but never completely removed therefrom.

5. In the event pipes, wires, conduits or other public utility lines run through one apartment which are utilized for or serve one or more other apartments, a valid easement for the maintenance of said pipes, wires, 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.

6 The "general common elements and facilities" of this regime which shall be owned by all the apartment owners as tenants in common shall be the land, the foundations, main sanitary sewer and water lines, the roof, and in general all devices or installations existing for the common use of all apartment owners, as defined in 499B.2 of the 1971 Code of Iowa.

Additional "common elements and facilities" shall include one common boat dock with space for one boat hoist for each apartment to be assigned to the respective apartments by the Developer, parking lot, all outside electrical lighting units, landscaping shrubbery, general improvements to the grounds, lawn or lake front.

7. The fractional interest which each apartment bears to the entire horizontal property regime is one-eighth.

8. The owner of an apartment in Northbay shall automatically, upon becoming the owner of an apartment, be a member of the Council of Co-Owners of Northbay and shall remain a member of said Council until such time as his ownership ceases for any reason, at which time his membership in said Council shall automatically cease.

that the administration thereof shall be in accordance with the provisions of Chapter 499B of the 1971 Code of Iowa, this Declaration, and the By-laws of the Council of Co-Owners of Northbay attached hereto, marked Exhibit D, and by this reference made a part hereof. All agreements and determinations lawfully made by the Council of Co-Owners or its Board of Administration shall be deemed to be binding on all owners of apartments, their tenants, successors, or assigns.

10. Each owner, tenant or occupant of an apartment in Northbay shall comply with the provisions of Chapter 499B of the 1971 Code of Iowa, this Declaration and the By-laws, decisions and resolutions of the Council of Co-Owners or the Board of Administration of Northbay and failure to comply with same shall be grounds for an action to recover sums due for damages or for injunctive relief.

11. No owner of an apartment may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements and facilities or by abandonment of his apartment.

12. Reconstruction or Repair of Casualty Damage

A. If any part of the Common Areas shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. In the event of damage or destruction by fire or other casualty to any part of the common areas and facilities, without accompanying damage or destruction to any part of any Family Dwelling Unit, the damaged property shall be reconstructed and repaired with all reasonable speed.

2. (a) In the event of damage or destruction by fire or other casualty to any part of the property which includes a part of any Family Dwelling Unit where the extent of such damages or destruction is less than 60% of the total property, the owners

subject to this declaration to have consented to the reconstruction and rebuilding of the property, and such reconstruction shall be commenced with all reasonable speed and in no event less than 180 days following any such occurrence.

(b) In the event of damage or destruction by fire or other casualty to a degree greater than 60% but less than 80% of the total property to any part of the property which includes a part of any Family Dwelling Unit, the determination of whether to reconstruct and rebuild the property shall require the affirmative vote of a majority (50%) of the voting power of the owners, computed in accordance with the percentage of interests in Common Areas, which vote shall be taken at a duly called meeting of the Association of Owners upon notice given as required in the By-laws of the association which are attached hereto as Exhibit D.

(c) In the event of damage or destruction by fire or other casualty to a degree greater than 80% of the total property to any part of the property which includes a part of any Family Dwelling Unit, the determination of whether to reconstruct and rebuild the property shall require the affirmative vote of two-thirds (2/3) of the voting power of the owners, computed in accordance with the percentage of interests in Common Areas, which vote shall be taken at a duly called meeting of the Association of Owners upon notice given as required in the By-laws of the Association which are attached hereto as Exhibit D.

3. Any reconstruction or repair accomplished pursuant to this Declaration shall be substantially in accordance with the Plans and Specifications pursuant to which the condominium was originally constructed.

4. Encroachments upon or in favor of Family Dwelling Units may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the

such reconstruction was either substantially in accordance with the Plans and Specifications of the building as originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands.

5. Certificate. The Insurance escrow agent may rely upon the provisions of this Declaration, or where required, upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the Insurance escrow agent, shall deliver such certificate as soon as practical following the occurrence of any such damage or disaster.

B. Responsibility. If the damage is to only those parts of one Apartment for which the responsibility of maintenance and repair is that of the Owner, then the Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

1. Estimate of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees, premiums for such bonds as the Board of Directors deems necessary, and other costs reasonably required to effect the compliance of the Board of Directors and/or owners with the provisions of this Declaration.

2. Assessments. If the proceeds of insurance are not sufficient to defray the estimated total costs of reconstruction and repair by the Association as above stated, assessments shall be made against the Owners of the damaged property in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are

... amounts to provide funds for the payment of such costs.

3. Construction funds. The funds for payments of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the insurance escrow agent and funds collected by the Association from assessments against Owners as above provided, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the amount of the estimated costs of reconstruction and repair exceeds the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the sums paid upon assessments to meet such costs shall be deposited by the Association with the insurance escrow agent. In all other cases, the Association shall hold the sums paid upon such assessments and disburse the same in payment of such costs of reconstruction and repair.

(b) Insurance escrow agent. The proceeds of insurance collected on account of a casualty, and the sums deposited with the insurance escrow agent by the Association from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Owner; to such contractors, suppliers and personnel as do the work or supply the materials or services required for such reconstruction or repair, in such amounts and at such times as the owner may direct, or if there is a mortgagee endorsement, then to such payees as the Owner and the first Mortgagee jointly direct. Nothing contained herein, however, shall be construed so as to limit or modify the responsibility of the Owner to make such reconstruction or repair.

costs of reconstruction and repair is less than the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs upon the order of the Association.

(iii) Association-major damage. If the amount of the estimated costs of reconstruction and repair of the building or other improvement is more than the total of the annual assessments for Common Expenses made during the year in which the casualty occurred, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect or general contractor qualified to practice in and employed by the association to supervise the work.

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Owners as their interests may appear.

(v) When the damage is both to common elements and Family Dwelling Units, the insurance proceeds shall be applied first to the costs of repairing the common elements and the balance to the Family Dwelling Units in the shares above stated.

4. Insurance Adjustments. Each Owner shall be deemed to have delegated to the Board of Administration, or to the Manager, his right to adjust with insurance companies, other than those insurance companies with whom the owner may have contracted for insurance over and above that required by all losses under policies purchased by the Association except in any case where the damage is restricted to one Family Dwelling Unit, subject to the rights of Mortgagees of such Owners. Any settlements negotiated by the Manager shall be subject to approval by the Board of Administration.

promptly to the Board of Administration or the Manager any damage or casualty suffered to any Family Dwelling Unit.

13. In the event of damage or destruction of all or part of the property covered by this Regime, a vote of 75% of all of the owners of the apartments in the Regime shall be determinative of whether to rebuild, repair, restore, or sell the property.

14. This Declaration shall not be revoked nor the provisions herein amended unless three-fourths of the owners of all of the apartments agree to such revocation or amendment by duly recorded instruments, and provided further, that the By-laws which are attached hereto, marked Exhibit D, may be amended by approval of 75% of the owners as provided in Article VIII of said By-laws.

IN WITNESS THEREOF, we have hereunto set our hands this

15th day of October, 1974, at Estherville, Emmet County, Iowa.

STOCKDALE, INC.

By Jerry Stockdale Pres.
Jerry Stockdale, Pres.

State of Iowa, Dickinson County, SS:

On this 15th day of October, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Jerry Stockdale, to me personally known, who, being by me duly sworn, did say that he is the President of said Corporation; that no seal has been procured by said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Jerry Stockdale acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

Connee J. Flynn